



Seven & i Holdings Co., Ltd.

"IR Day 2024"

April 23, 2024

Today's Agenda

Opening

09:00~09:15



President & Representative Director
CEO
Ryuichi Isaka

Domestic CVS Operations

10:50~11:30



Head of Domestic CVS operations
Representative Director and President of
SEVEN-ELEVEN JAPAN CO., LTD.
Fumihiko Nagamatsu

US CVS Operations

09:15~09:55



Head of Overseas CVS operations
(North America)
CEO of 7-Eleven, Inc.
Joseph Michael DePinto

Closing

11:30~11:35



Director & Managing Executive Officer
CFO
Yoshimichi Maruyama

Global CVS Operations

09:55~10:35



Head of Overseas CVS operations (Global)
Chairman of 7-Eleven International LLC
Shinji Abe



President & CEO of 7-Eleven International LLC
Ken Wakabayashi

Group's Vision towards Future Growth

April 2017
Announcement of the acquisition of a part of **Sunoco**

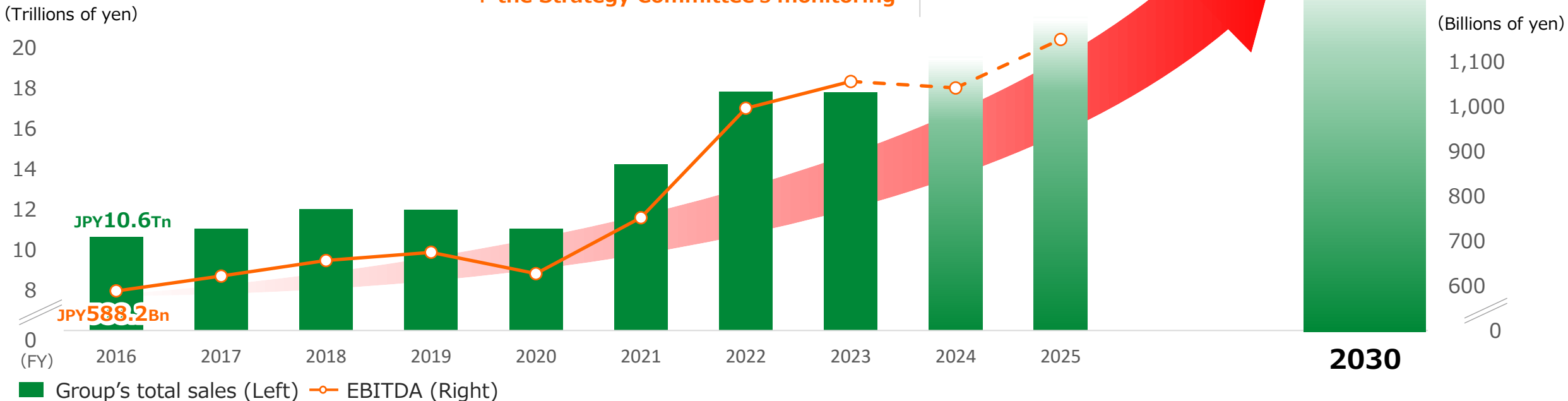
August 2020
Announcement of the acquisition of **Speedway**

November 2023
Announcement of the acquisition of **7-Eleven Australia**
January 2024
Announcement of the acquisition of **Sunoco-Stripes (West Texas)**

A world-class retail group **centered around its "food"**

Accelerated actions to optimize the business portfolio and operation + the Strategy Committee's monitoring


April 2024
Announcement of **Action Plans**



We have and will continue to accelerate our organic / in-organic growth in Global CVS business

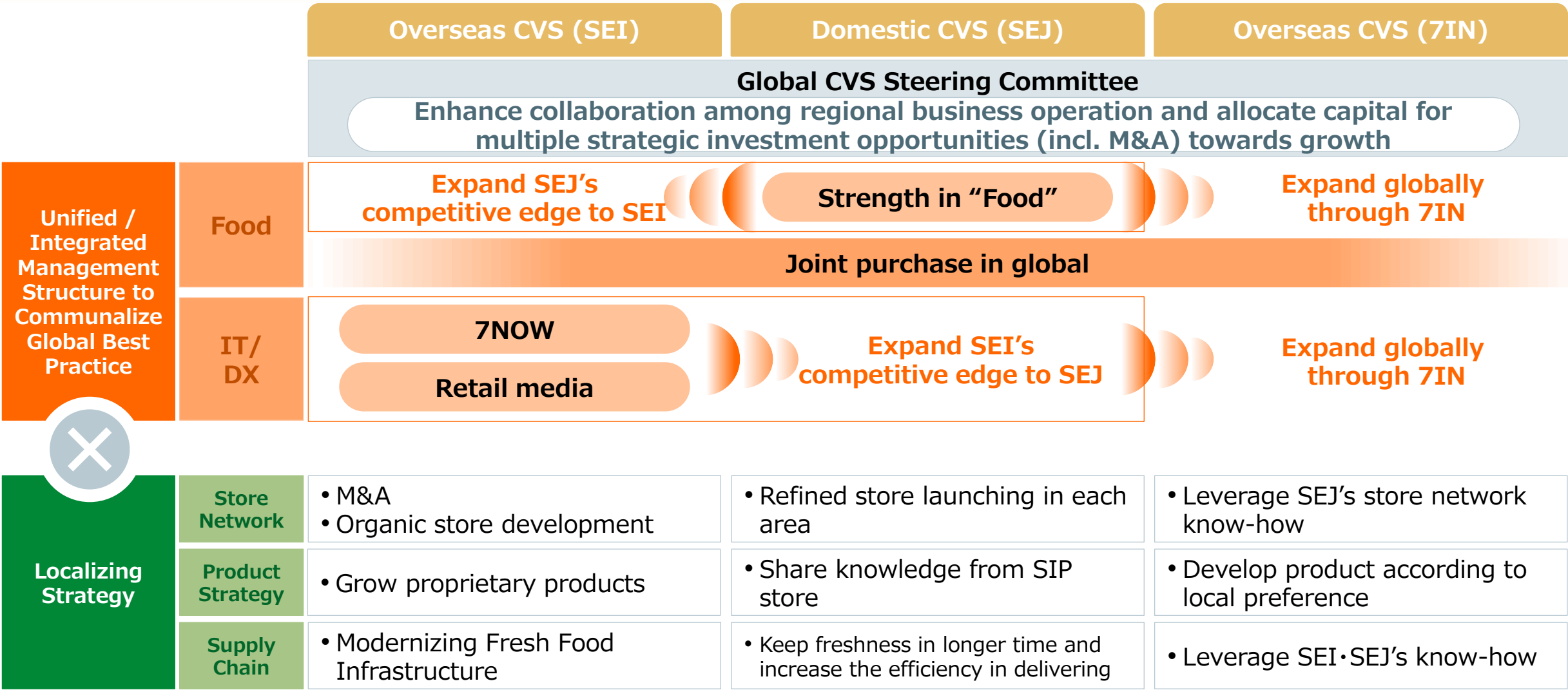
Evolution of our Continuous Strategy Assessment and Governance Transformation



	FY2022	FY2023	FY2024												
Strategy Assessment	<p>Group Strategy Reevaluation</p> <ul style="list-style-type: none">• We discussed strategic initiatives which contribute to Group corporate value enhancement considering the efficiency and the growth of each business• We assigned independent outside advisors to pursue Group growth strategy focused on CVS business.	<p>The Strategy Committee objectively assess and monitor Group’s key strategic initiatives and optimal group structure</p>	<p>Announcement of the discussions in our Board and Strategy Committee Recommendations and our Group’s Action Plans toward the maximization of corporate and shareholder value (2024/4)</p> <ul style="list-style-type: none">• We will create a timeline for actioning those items that is being announced today and have started working towards implementation												
Governance Transformation as Global Company	<p>The Board has transformed to be composed of majority independent outside directors, and Strengthen Board diversity (2022/5)</p> <table><tr><td></td><td>FY2021</td><td>FY2022</td></tr><tr><td>Independent Outside Directors</td><td>5 (Over 33%)</td><td>9 (Majority)</td></tr><tr><td>Non-Japanese Directors</td><td>1 (Proportion: ~8%)</td><td>5 (Proportion: ~35%)</td></tr><tr><td>Female Directors</td><td>1 (Proportion: ~8%)</td><td>3 (Proportion: ~21%)</td></tr></table>		FY2021	FY2022	Independent Outside Directors	5 (Over 33%)	9 (Majority)	Non-Japanese Directors	1 (Proportion: ~8%)	5 (Proportion: ~35%)	Female Directors	1 (Proportion: ~8%)	3 (Proportion: ~21%)	<p>Established the Strategy Committee composed solely of independent outside directors (2023/3)</p>	<p>Elect Mr. Stephen Hayes Dacus as the Lead Independent Outside Director and Chairperson of the Board of Directors (2024/4)</p>  <ul style="list-style-type: none">• We better ensure the effectiveness of discussions on management strategy and supervision of business execution at the BoD meetings• The Management can focus on conducting Action Plans
	FY2021	FY2022													
Independent Outside Directors	5 (Over 33%)	9 (Majority)													
Non-Japanese Directors	1 (Proportion: ~8%)	5 (Proportion: ~35%)													
Female Directors	1 (Proportion: ~8%)	3 (Proportion: ~21%)													

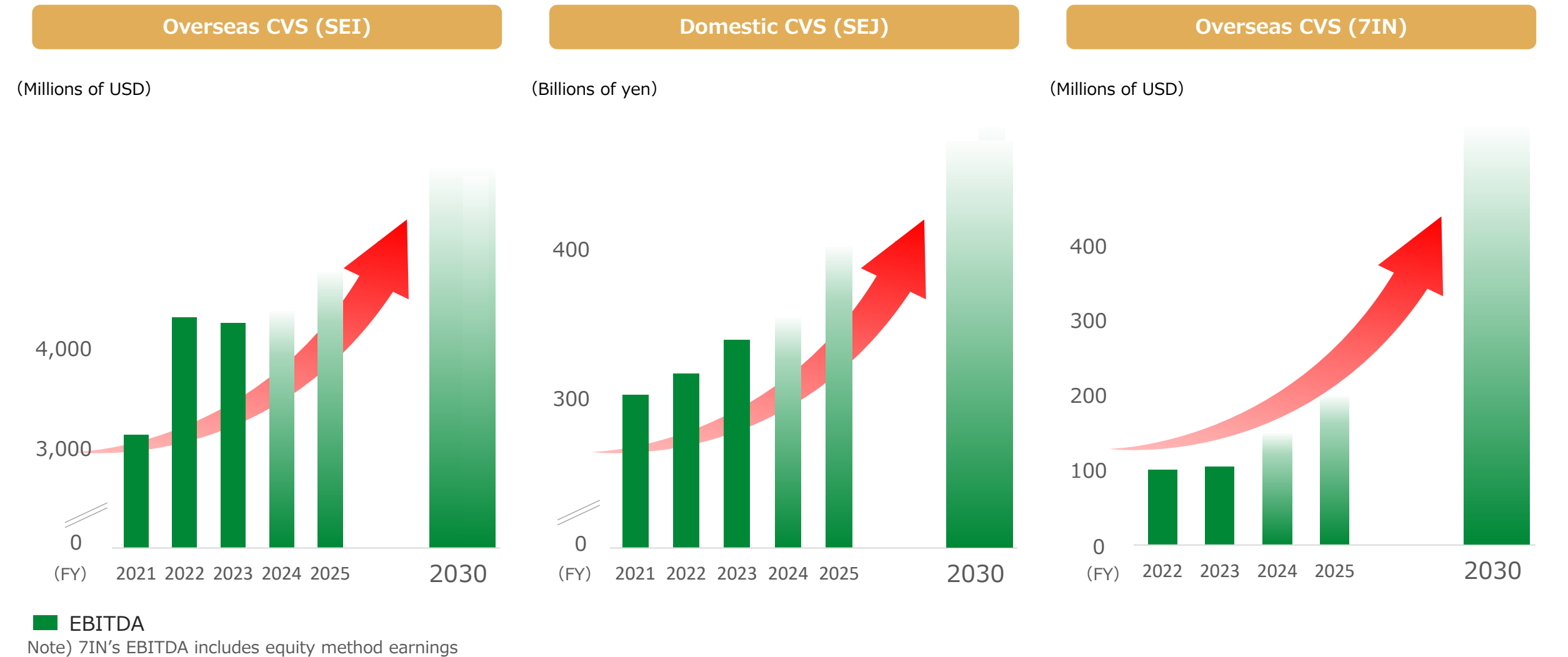
We have continued our strategic assessment and governance transformation to enhance our medium to long term corporate / shareholder value

Global CVS Strategy Plan



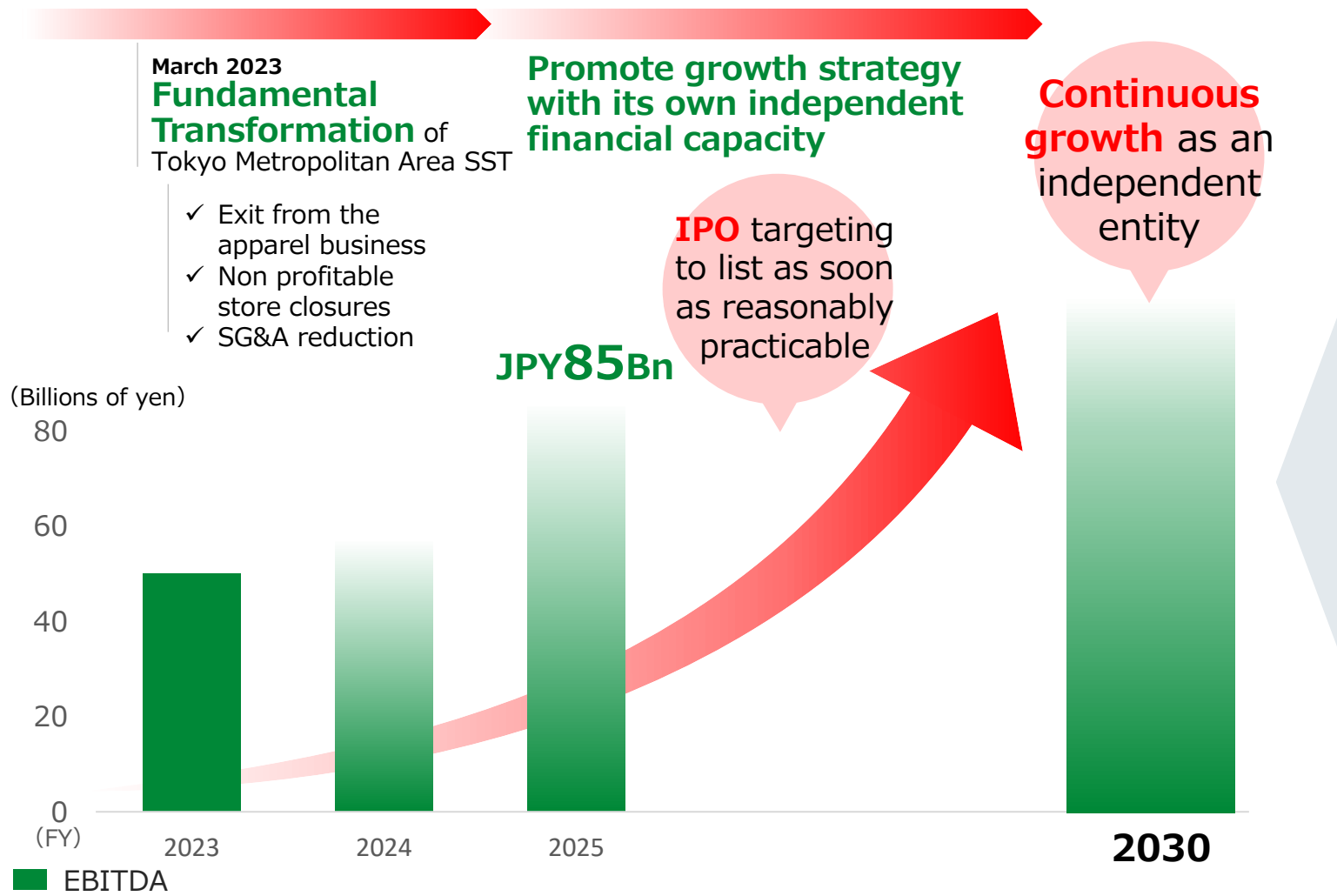
Focus on global CVS strategy under integrated management structure

CVS Operation's Vision for Growth



Our global CVS strategy will aim to expand EBITDA in all regions towards 2030

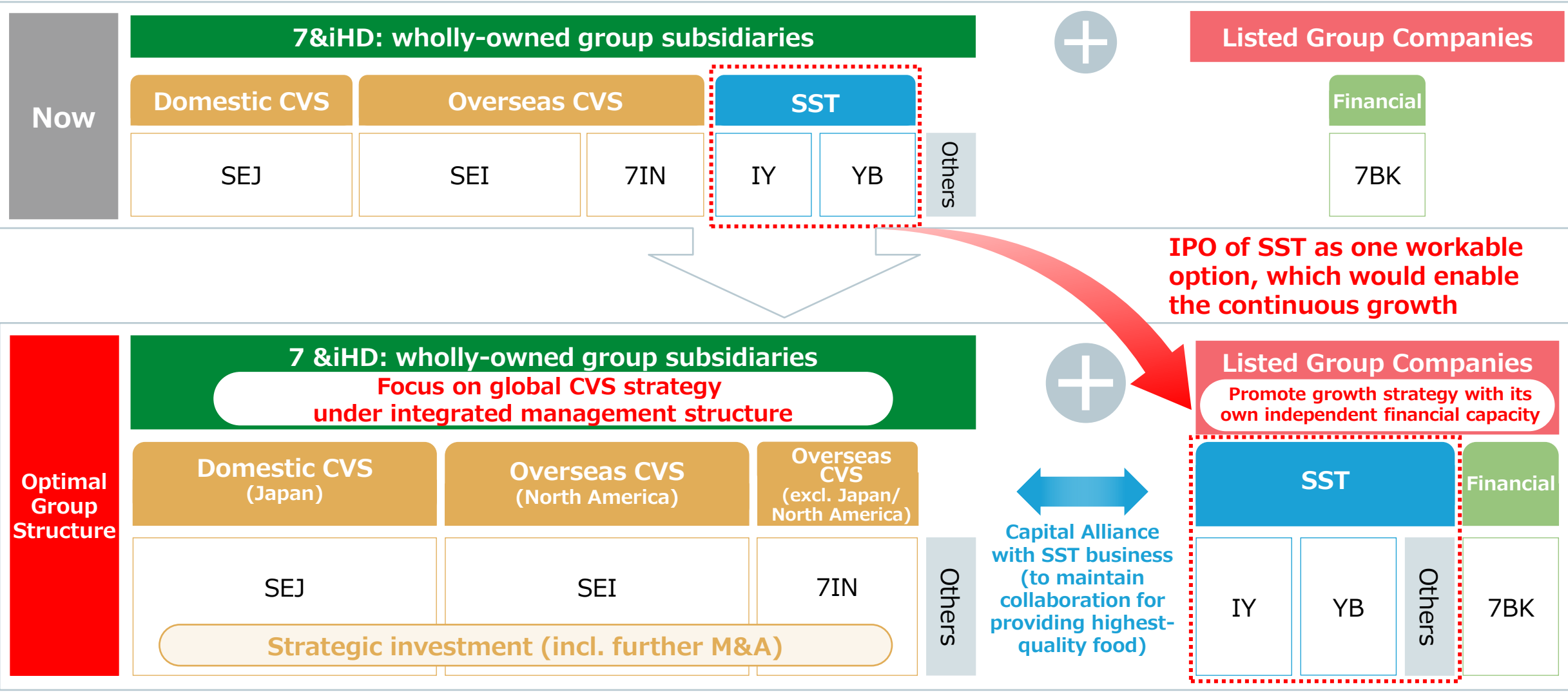
SST Operation's Vision for Growth



Note) SST operations: Figures exclude Ito-Yokado in China and other operating companies from SST operations



SST will aim to achieve sustainable growth through enhanced growth strategy with underlying independent financial capacity



New Group structure will enable each business to focus on their own growth strategy independently



The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.



Seven & i Holdings CO., Ltd.

"IR Day2024"

Overseas CVS Operations Strategy

April 23, 2024

Agenda

Topic	Page #
<input type="checkbox"/> Current Situation Analysis	3-8
▪ External Environment	3-5
▪ Consumer Behavior	6-8
<input type="checkbox"/> SEI Strategic Initiatives	9-29
▪ SEI Strategy for Growth	10
▪ Grow Proprietary Products	11-16
▪ Accelerate Digital & Delivery	17-19
▪ Generate Synergies From SEI & SPW Integration	20-22
▪ Grow & Enhance Store Network	23-29
<input type="checkbox"/> SEI Financial Performance	30-35



CSA

External Environment



Macro Environment: Inflation & Fed Actions

COVID Hangover Continues to Drive Volatility

~\$9.7T
COVID-19 Relief Stimulus
Mar 2020- Apr 2022

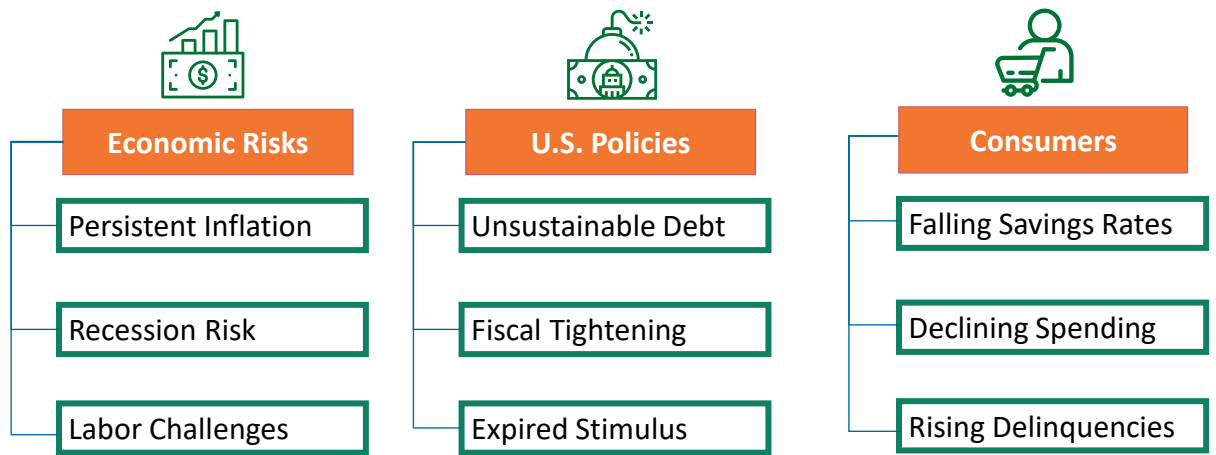
~\$5.3T
Direct Consumer Support

~\$4.4T
Quantitative Easing

Source: CRFB, Bloomberg

29%
Total stimulus given out by
U.S. Government
(29% of Country's GDP)

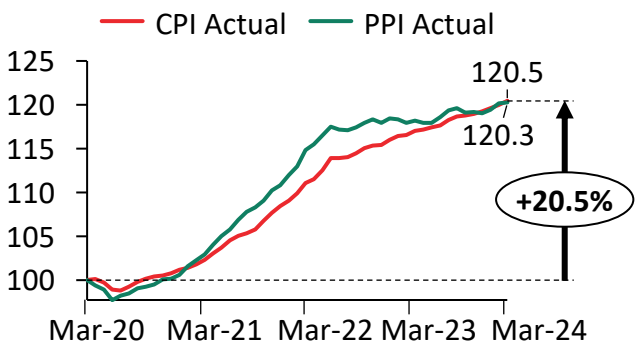
Unintended Consequences of Excessive COVID Support



Inflation

Inflation (CPI & PPI)

Cost to Consumer & Producer; (Jan '20=100)

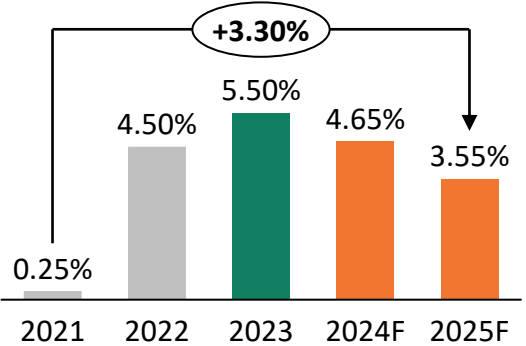


Source: BLS

Fed Action

Fed Funds Rate Projections

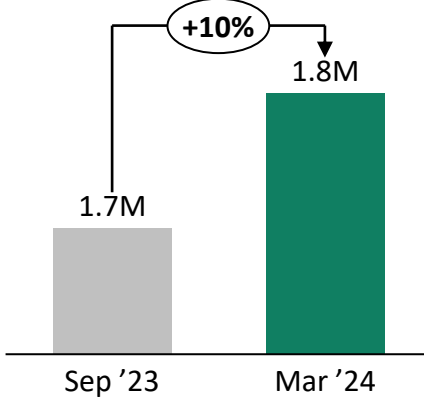
Higher for Longer



Unemployment

Continuous Claims

Unemployed for Longer

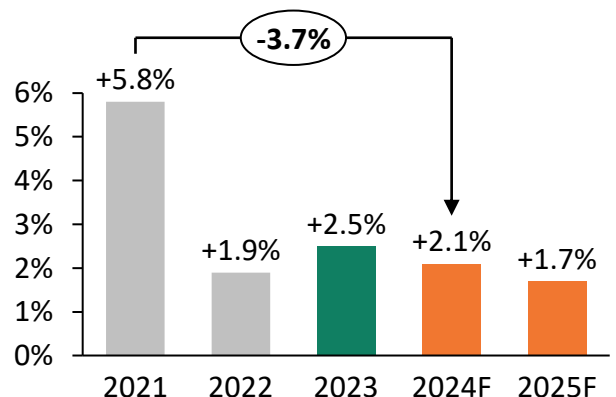


Source: BEA, Bloomberg

Plateauing Economic Growth

U.S. GDP

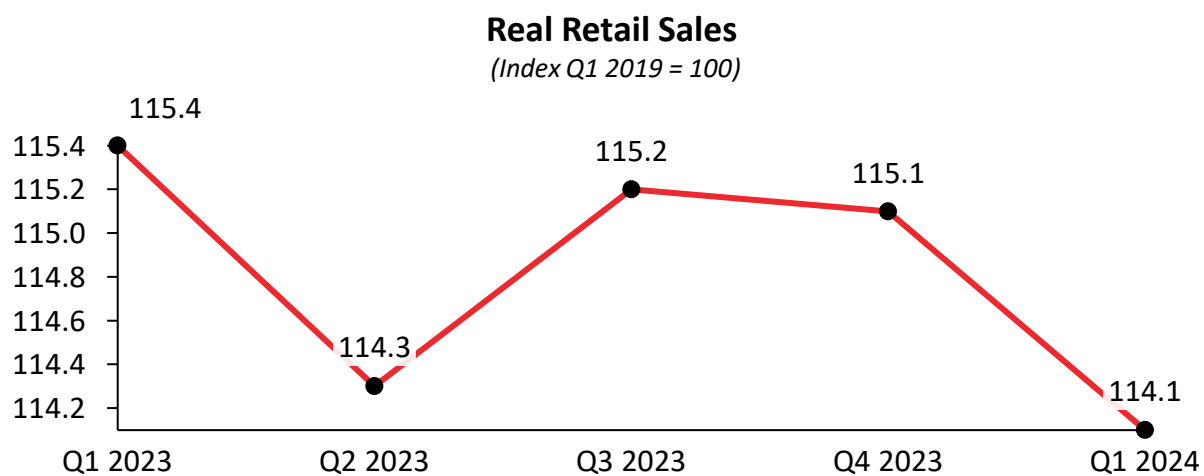
(% Growth YoY)



Inflation and Fed Actions Pressuring U.S. Economic Growth

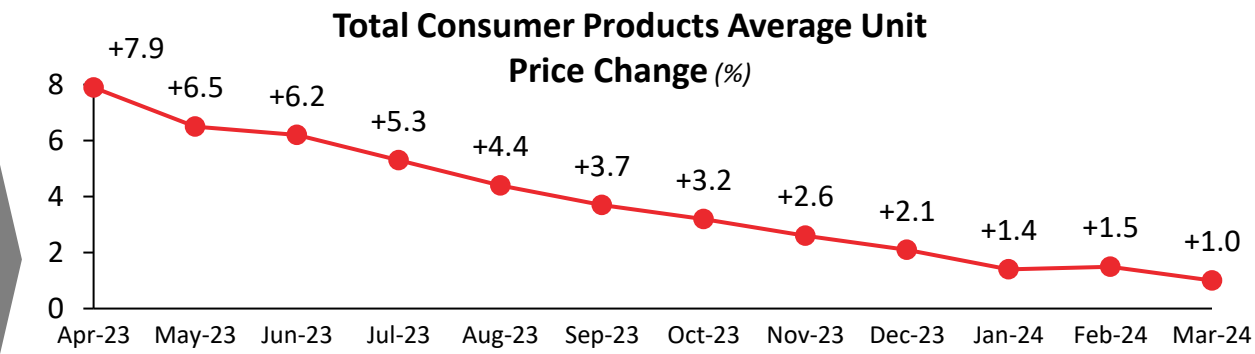
Business Challenges & Response

Real Retail Sales Declining



Source: Fred

Vendors & Retailers Slowing Down Price Hikes



*"Firms are telling us that **price-sensitivity is much higher now** as compared to before" - Mary Daly, President of San Francisco Fed*

02/25/2024

Source: NielsenIQ, Business Insider, CFO

Businesses Cutting Costs to Protect Profits

Managing Costs

Working with suppliers to "get costs down more as fast as we possibly can"

\$300M in savings through 2026 with efficiencies & automation

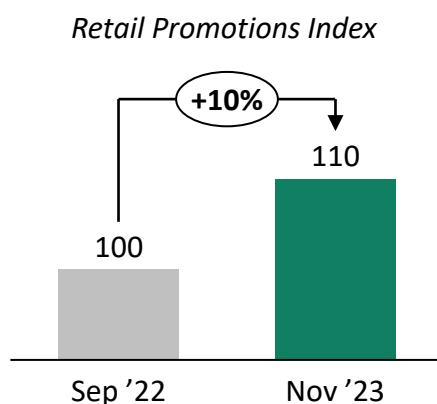


02/18/2024

*"Companies — profitable or not — make **2024 the year of cost cuts.**"*

Retailers Leveraging Technology to Drive Sales

Offering Value



Source: Retail Dive, Circana

Leveraging Technology to Drive Efficiencies

82%

Retailers planning to invest more in technology



Businesses Facing Declining Real Sales, Rising Costs and Labor Challenges



CSA

Consumer Behavior

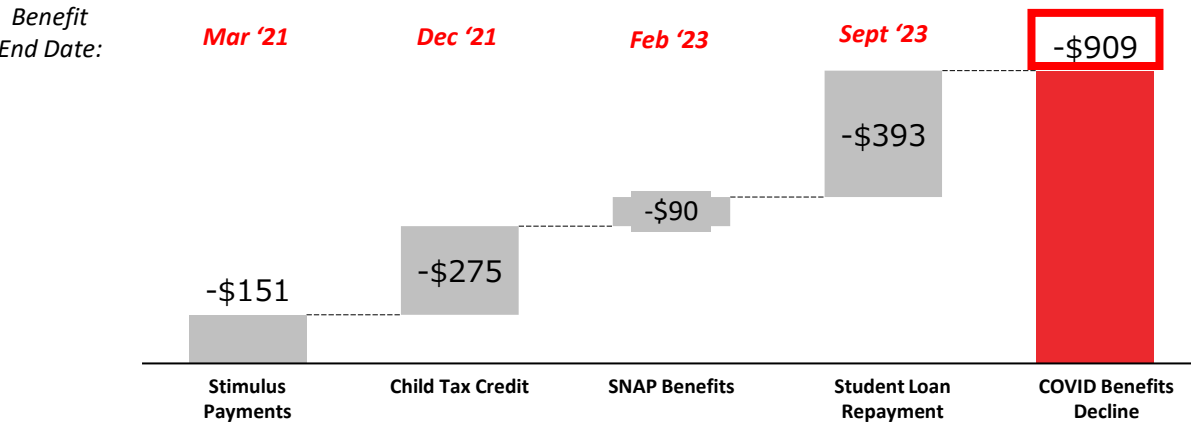


Consumer Financial Position

Stimulus Benefits From COVID Are Gone

Pull-back of COVID Benefits

Average monthly benefit decline per participant

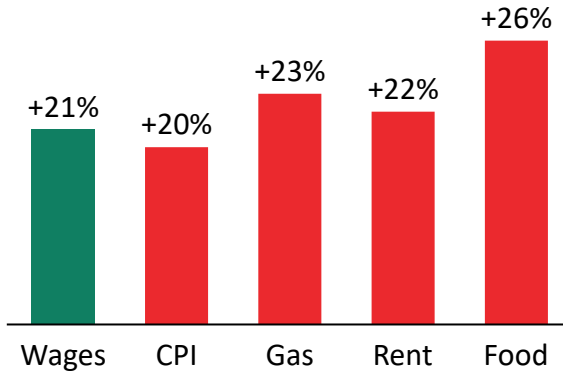


Source: PYMNTS, WSJ, The White House, Pandemic Oversight, Jeffries

Rising Costs Increasing Reliance on Debt

Cost of Living Rising Faster Than Real Wages

(Dec-2023 vs Dec-2019)



Source: US Joint Economic Committee

~\$780

Monthly increase in spend per household due to inflation

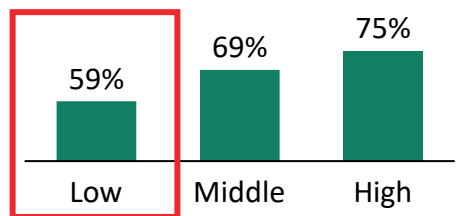
73%

Consumers said higher prices have affected their ability to cover monthly expenses

Impacting Low-Income Consumers Disproportionately

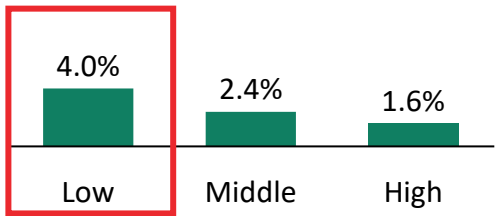
Limited Access to Credit

(CC Holders by Income Level)



Higher CC Delinquencies

(Delinquency Rates by Income Level)



31.2%

Of income spent on Food expenditure by lowest income quintile vs. 8% for highest income quintile

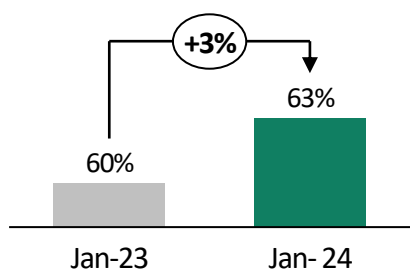
Source: NY FED, USDA

Impact: Living Paycheck to Paycheck & Seeking Value

Paycheck-to-Paycheck Lifestyle

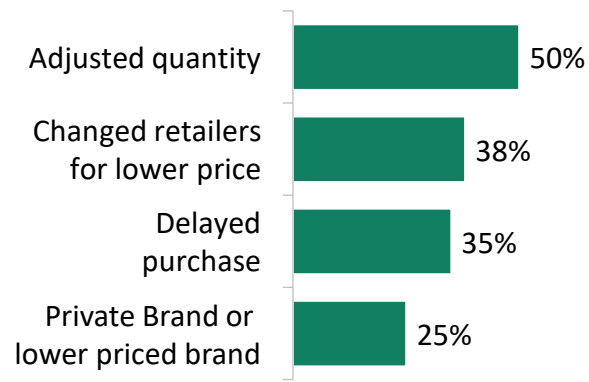
Becoming the Norm

Share of Population Living Paycheck to Paycheck



Source: PYMNTS, University of Michigan, PlacerAI

Trading Down Tactics



Source: Northwestern Mutual

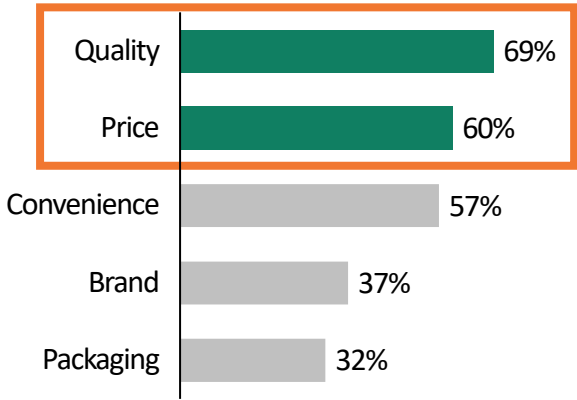
Consumers are adapting their behavior... seeking value... SEI is positioned well to deliver on that value

Changing Consumer Behavior

Consumers Want Quality Food at a Great Value

94%
US households concerned about food cost inflation in 2024

Most Important Food Purchasing Factors

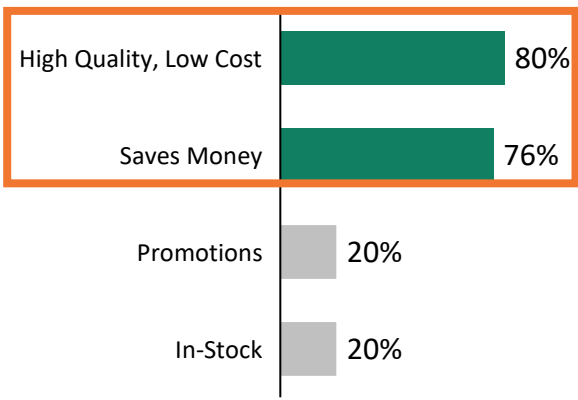


Source: Numerator, YouGov, McKinsey

Seeking Out Private Brands for High Quality at Lower Price

~15%
Price savings between Private Brands and National Brands

Reasons Consumers Purchase Private Brands

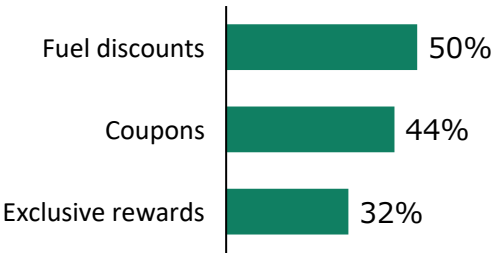


Source: NACS

Leveraging Digital & Delivery

Leveraging Digital

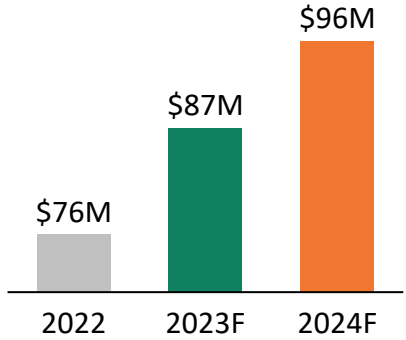
Top 3 Reasons for Engaging with C-Store Apps



Source: MarigAold, IRI

Delivery Demand Remains Strong

U.S. Restaurant Delivery (Market size in \$ millions)



Changing C-Store Expectations

Leveraging Loyalty Programs

71%
Millennials use **Loyalty Programs** to save money

Larger, Contemporary Facilities

70%
U.S. consumers said **shopping at larger outlets is a more satisfying experience**

Source: Numerator, CSNews, Retail Doctor, PYMNTS

Digital Innovation

63%
More likely to visit c-store with **digital offerings**

Faster & Easier Fueling

75%
Will **drive off** if there are >2 cars in line at the pump

As Shoppers' Expectations Evolve... SEI is Positioned to Meet the Consumer's Needs



SEI Strategy for Growth



1 Grow Proprietary Products

Fresh Food & Restaurants



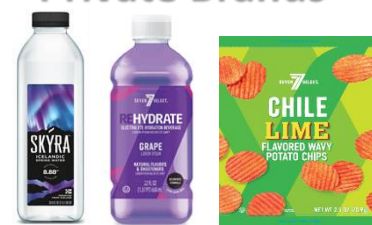
Enhanced Value Chain



Proprietary Beverages



Private Brands



2 Accelerate Digital & Delivery

Loyalty Programs



Frictionless Experiences



7NOW Delivery

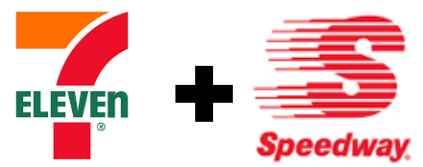


Retail Media Network

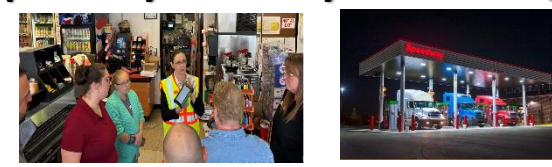


3 Generate Synergies From SEI and Speedway Integration

Store & Company Integration



Proprietary Retail System – RIS/ DEX



4 Grow and Enhance Store Network

Organic New Build Stores



Mergers & Acquisitions










Grow Proprietary Products



Proprietary Products Strategy & Growth Plan

Long-Term Strategy




FRESH FOOD






PROPRIETARY BEVERAGES



PRIVATE BRANDS



VALUE CHAIN



Growth Plan

Key Actions for Growth

- Grow Assortment – New Categories and Products
- Accelerate Food and Beverage Modernization
 - Beverage investments
 - Fresh Food investments
 - Restaurant investments
- Grow Private Brands
 - Add new SKUs across categories
- Enhanced Store Execution and Exterior Refresh
 - Targeted Operations training
 - Exterior refresh
 - Detailed merchandising footprint and assortment refresh

Assortment

Quality Improvement, Innovation & New Platforms



Hot Subs



Bread QI
Milk Bread



Rice Balls



Chicken Curry
Rice Bowl



French Toast
Bite



Orange Chicken
Boneless Wings

Food & Beverage Modernization

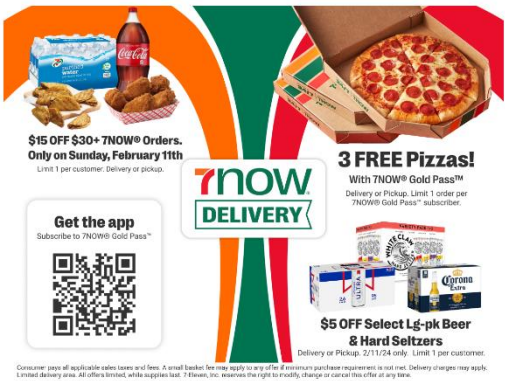
Elements Include:

- Bake In Store
- Self-Serve Grills
- Self-Serve Hot Foods
- Specialty Coffee



Grow Fresh Food Delivery

- Exclusive Offers & Bundles
- Expand Delivery-exclusive Brands
- Accelerate Fresh Food Growth



Value & Bundling

Traffic Driving Promotions & Bundles



Restaurant Portfolio



Key Strategies for Growth

Innovation



Frozen Margaritas



Bun on the Run



Loaded Chicken Bowls



Fajitas

(Quality Improvement)



Waffle Sandwiches

Delivery & Catering Acceleration



Value & Bundling



Innovation – 60th Anniversary Cups

7-Eleven was the first retailer to offer coffee to-go
60 years ago



Beverage Modernization & Assortment Expansion

Coffee

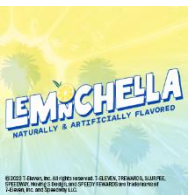


Iced Specialty
Coffee



Cold Brew

Slurpee



Innovation with
Exclusive LTOs

Big Gulp



Regional Big Gulp
Assortment

Optimize & Localize Assortment



Boost cravings
with unique
regional blends.

Hot + Iced Varieties
Launches 3/18

Value & Bundling

Traffic Driving Promotions & Bundles



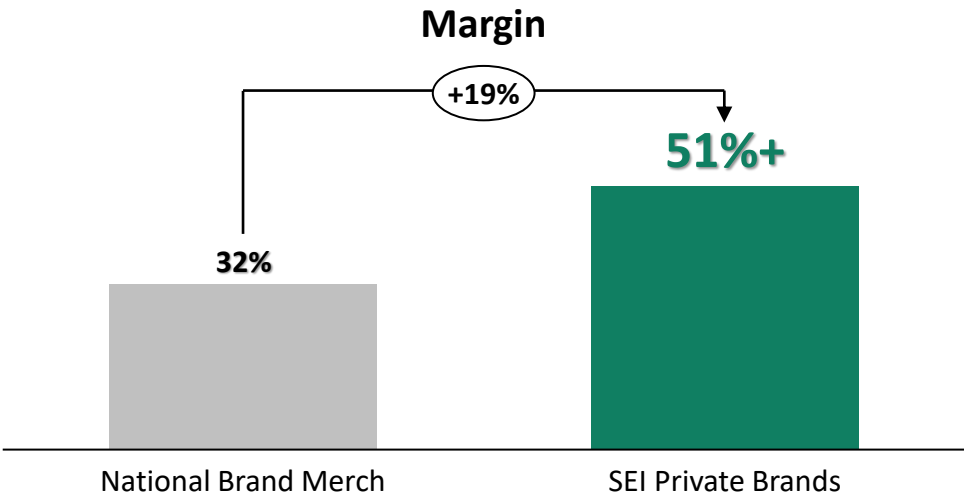
Key Private Brand Differentiators

- 1

High Quality Products
- 2

Deliver **Value To Customers**
Less Expensive than National Brands
- 3

Better Margin and Penny Profit
for Franchisee & Store



Innovation

Recent Launches

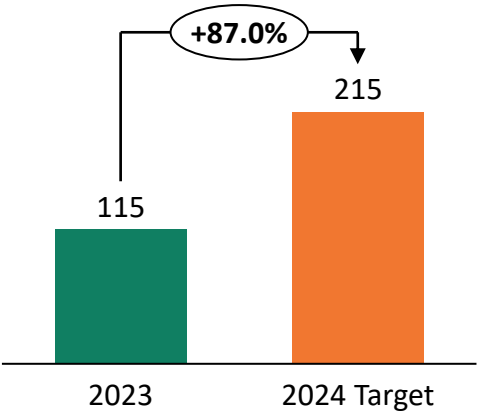


Upcoming



Private Brands New Item Launches

- 215 New Items
- Entering 5 New Categories





SEI Strategic Initiatives

Accelerate Digital & Delivery



7NOW Value Proposition

Delivery from 7-Eleven Meets Customer Needs



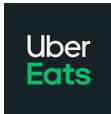
~28 min

National avg. YTD

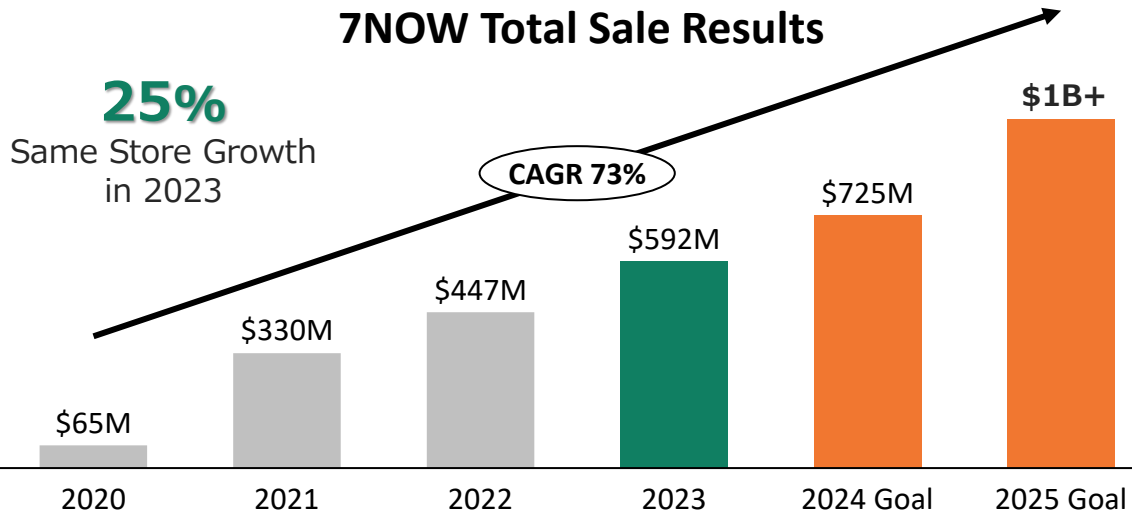
>50% US Population

Within 2 miles of a store

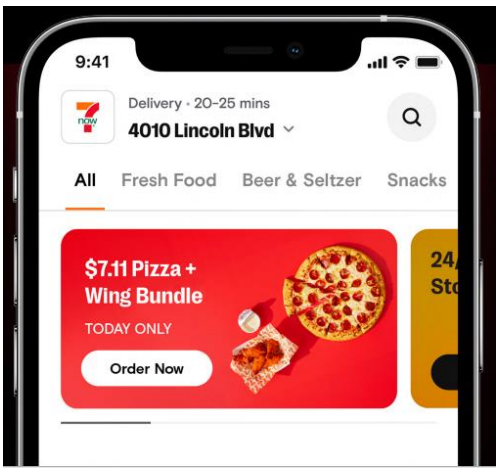
8+
Marketplace
Partnerships



7NOW Total Sale Results



Strategies for Growth



Key Actions to Drive Growth

- Continue expansion to stores
- Drive fresh food with 7NOW
- Grow Gold Pass membership & engagement
- Expand restaurant delivery across Laredo Taco, Speedy Cafes & Raise the Roost

Goal to Hit \$1B in Delivery Sales by 2025

Customers Seek Value with Loyalty Programs

84%

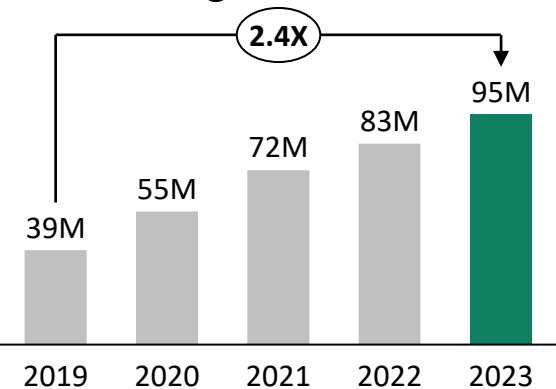
Consumers stick with a brand
with a loyalty program

66%

Consumers say that earning
rewards changes their
shopping behavior

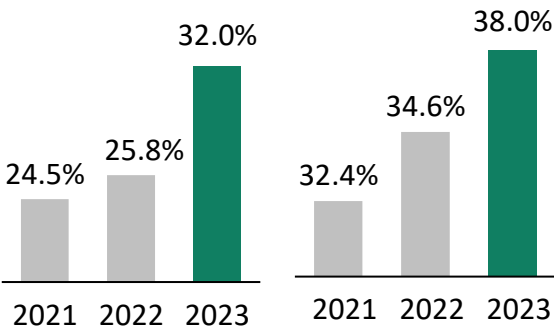
SEI Registered Members & Scan Rate Continue to Grow

Total Registered Members



Scan Rate

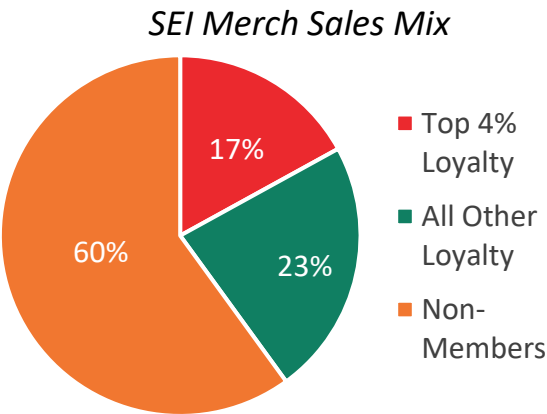
7REWARDS **Speedy Rewards**



*7Rewards and Speedy Rewards September in US and Canada

Loyalty Members Spend More

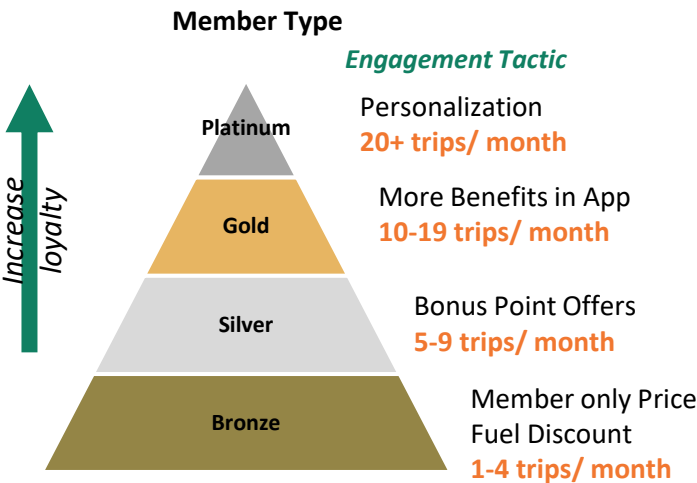
Top 4% Loyalty Members Drive 17% Overall Revenue



Source: Paytronix 2022

12 months to August 2023 7R and SPW

Loyalty Members Shop More Frequently



7REWARDS



Speedy Rewards



1 in 4 Americans are part of our industry-leading 7Rewards and Speedy Rewards loyalty programs

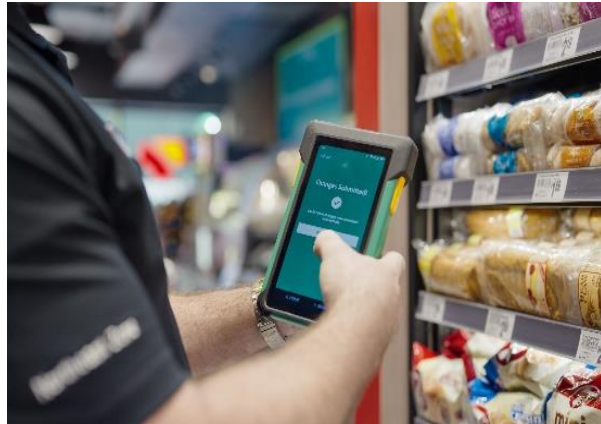


SEI Strategic Initiatives

Generate Synergies from SEI & SPW Integration



SEI's Proprietary Retail System Enables a Customized Assortment for Each Store Based on Local Demand



- ✓ Localized Assortment for Each Store
- ✓ Differentiates each Store from Competitors



- ✓ Increases Customer Satisfaction
- ✓ Provides a Unified Customer Experience across Banners



- ✓ Maximizes Each Store's Profitability
- ✓ Optimizes Space-to-Sales, Margins and GP

Enables SEI to Assort Stores Based on Local Demand. This is a Significant Competitive Advantage





SEI Strategic Initiatives

Grow & Enhance Store Network



M&A – Highly Fragmented C-Store Industry Provides Opportunity to SEI

U.S. C-Store Industry vs. Japan C-Store Industry

US	Company Name	Share (based on store count)
1	7-Eleven Inc. (US only)	8.5%
2	Alimentation Couche-Tard Inc	3.8%
3	Casey’s General Stores Inc.	1.7%
4	EG Group	1.1%
5	GPM Investments LLC	1.0%
6	Murphy USA, Inc	0.7%
7	Wawa, Inc.	0.7%
8	QuikTrip Corporation	0.7%
9	Kwik Trip, Inc.	0.6%
10	Sheetz, Inc.	0.5%
Top 10 C-Store Chain Total		19.1%
Total US C-stores (2023 CS News Data)		

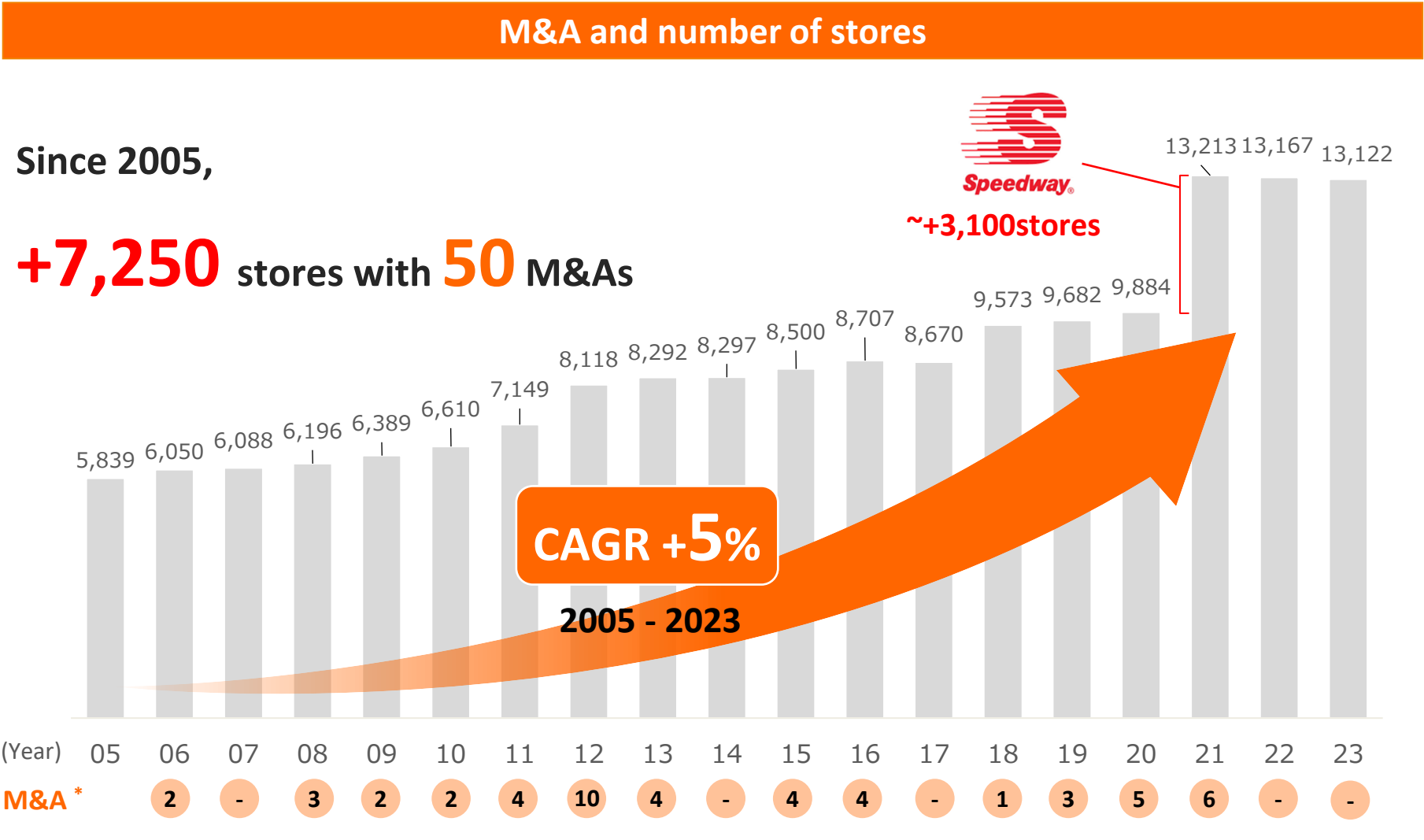
Japan	Company Name	Share (based on store count)
1	7-Eleven Japan	38.7%
2	Family Mart	29.2%
3	Lawson	25.2%
Top 3 C-Store Chain Total		93.1%

Fragmented U.S. C-Store Landscape

- ✓ SEI Market Share is **8.5%**
- ✓ Top 10 U.S. C-Store Chains have <20% Market Share
- ✓ Top 3 Japan C-Store chains have 93% Market Share
- ✓ **63%** of US C-stores Consists of Chains with ≤ **10** Stores

SEI Positioned to Continue Growth through M&A and Deliver Accelerated Returns

M&A – Proven Track Record of Successful Acquisitions



* number of M&A closings

Mature acquisitions results (23/12LTM)

Average daily sales

+34.0%

GPM improvement

+288bps

ROIC

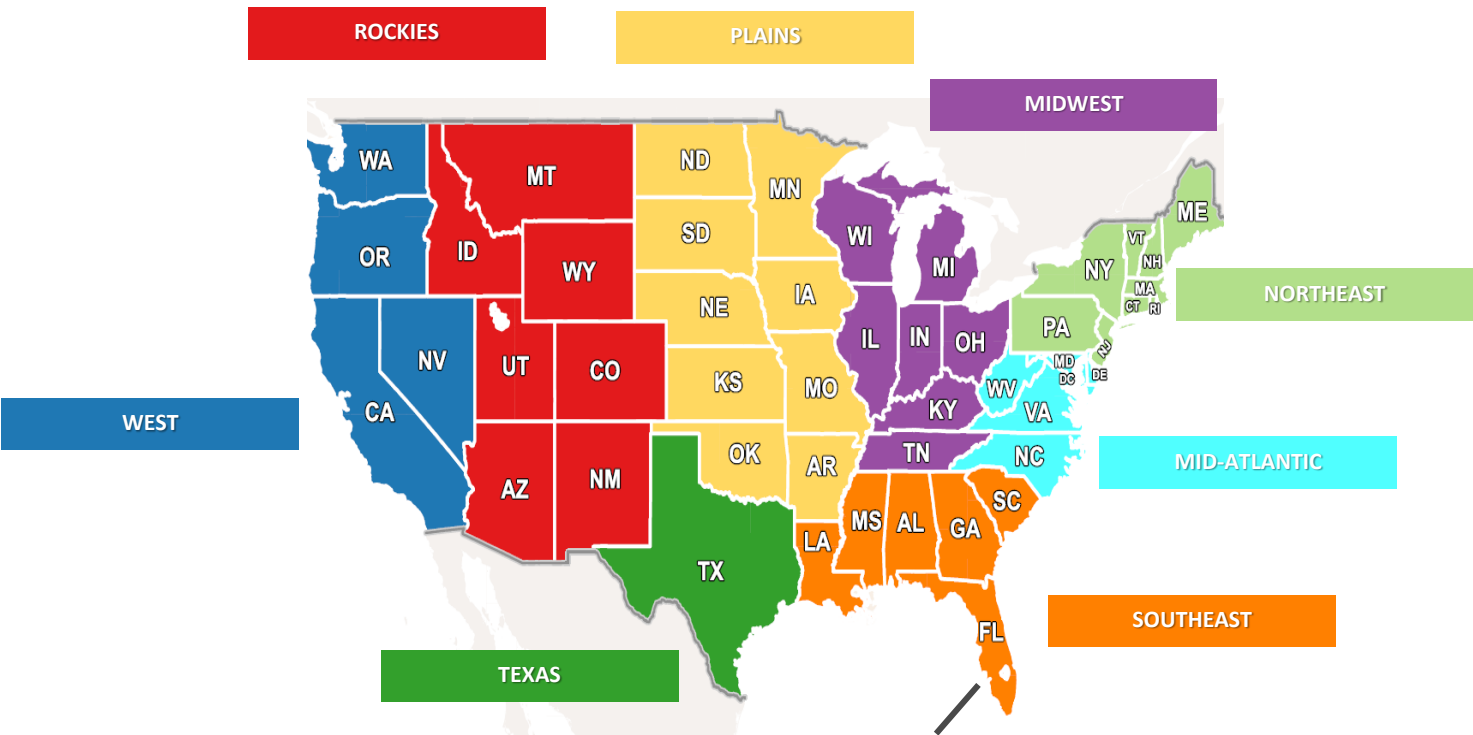
14.3%

Implement Store Expansion Strategy Utilizing M&A and Increase Average Daily Sales

M&A Opportunity Pipeline

SEI Prospects & Monitors Chains to be Ready When Available

Regional Evaluation of Opportunities for M&A



Dedicated & Experienced SEI Team

- ✓ Dedicated team with a proven track record of 50 deals since 2005
- ✓ Experience in successful, large integrations
- ✓ Evaluated 131 deals since 2020
- ✓ Rigorous process to prioritize potential acquisitions
- ✓ Sunoco was high-priority target for SEI

Our Dedicated and Experienced M&A Team Has a Proven Track Record of Delivering Successful Results

Sunoco-Stripes Acquisition – Strategic Rationale

Strategically Significant Scaled Acquisition Opportunity

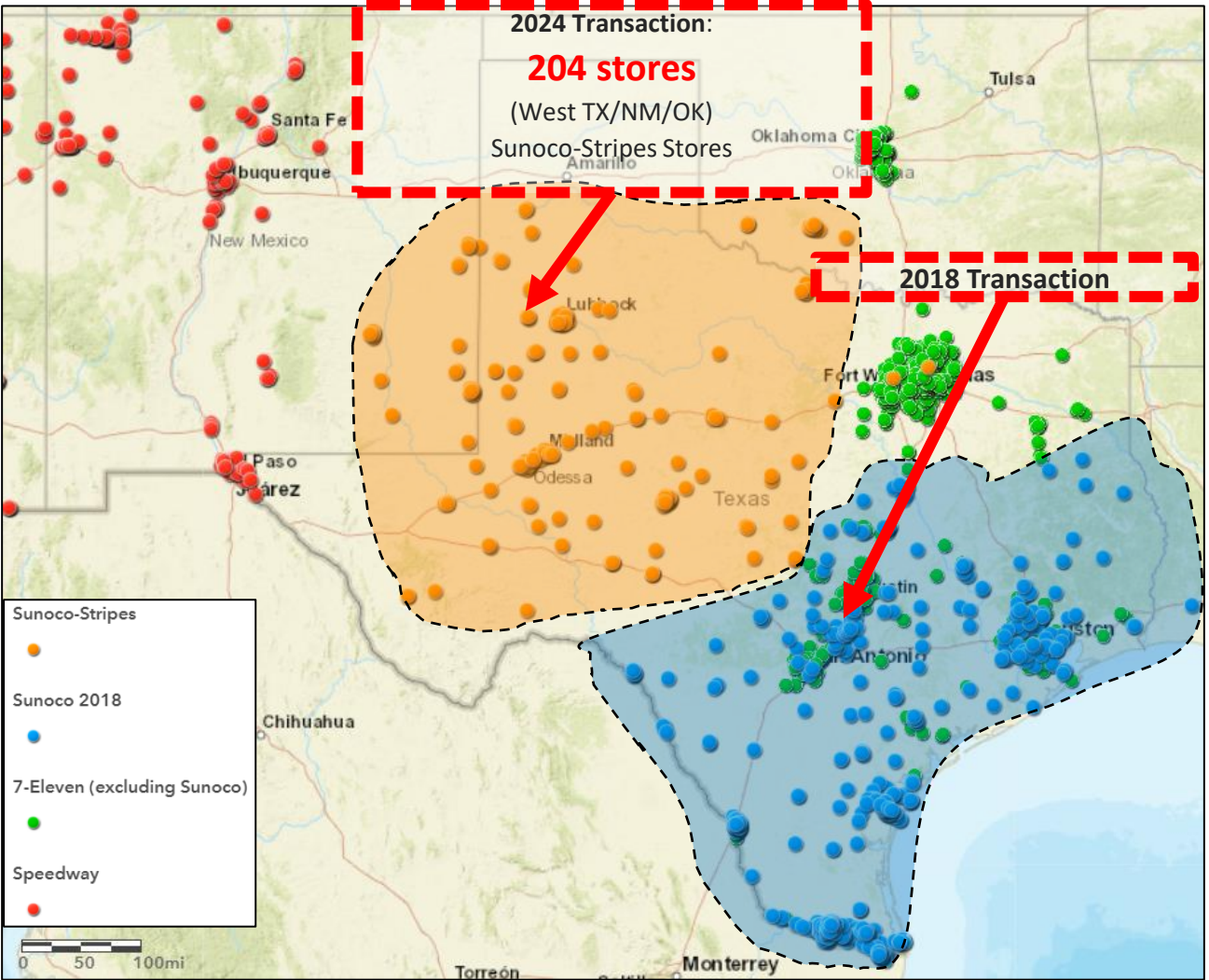
Priority M&A Target since 2018 – Geographically Completes 2018 Sunoco Acquisition & Complements Speedway network

All Stripes Stores & Laredo Taco Company Restaurants under 7-Eleven Operations

Grows Restaurants, Leverages Private Brands/Proprietary Products & Increase Digital/Delivery



Sunoco-Stripes Acquisition Complements our Network



Prior Standard



Evolution Stores



New Standard



- ✓ Standard c-store design



- ✓ Test and learn
- ✓ Food forward design
- ✓ Customized design for each store



- ✓ Includes Evolution store elements at scale
- ✓ Larger lots, large format fuel

Progressively Developed New Design Standards to Meet Customer Expectations

Current Store Standard – Gen 2.0





Financial Performance



2023 Actions & Results

- **Cost Leadership Committee** tracked 240 discrete cost improvement initiatives
- **400+ Sourcing Events** completed

Resource Optimization
Cost Savings / Avoidance
Targeted OSG&A Reductions
Negotiations
Process Improvements
Other Near-Term Actions



\$308M
2023 Total
Reduction /
Avoidance






2024 Strategy & Target

Strategy

- 1 Cost Leadership Committee
- 2 Vendor Cost Reductions
- 3 Company Cost Structure Review



Opportunities

-  Merch and Fuel COGS
-  Store Labor Optimization
-  Indirect Spend
-  In-House Maintenance
-  Debit/Credit Card Fees

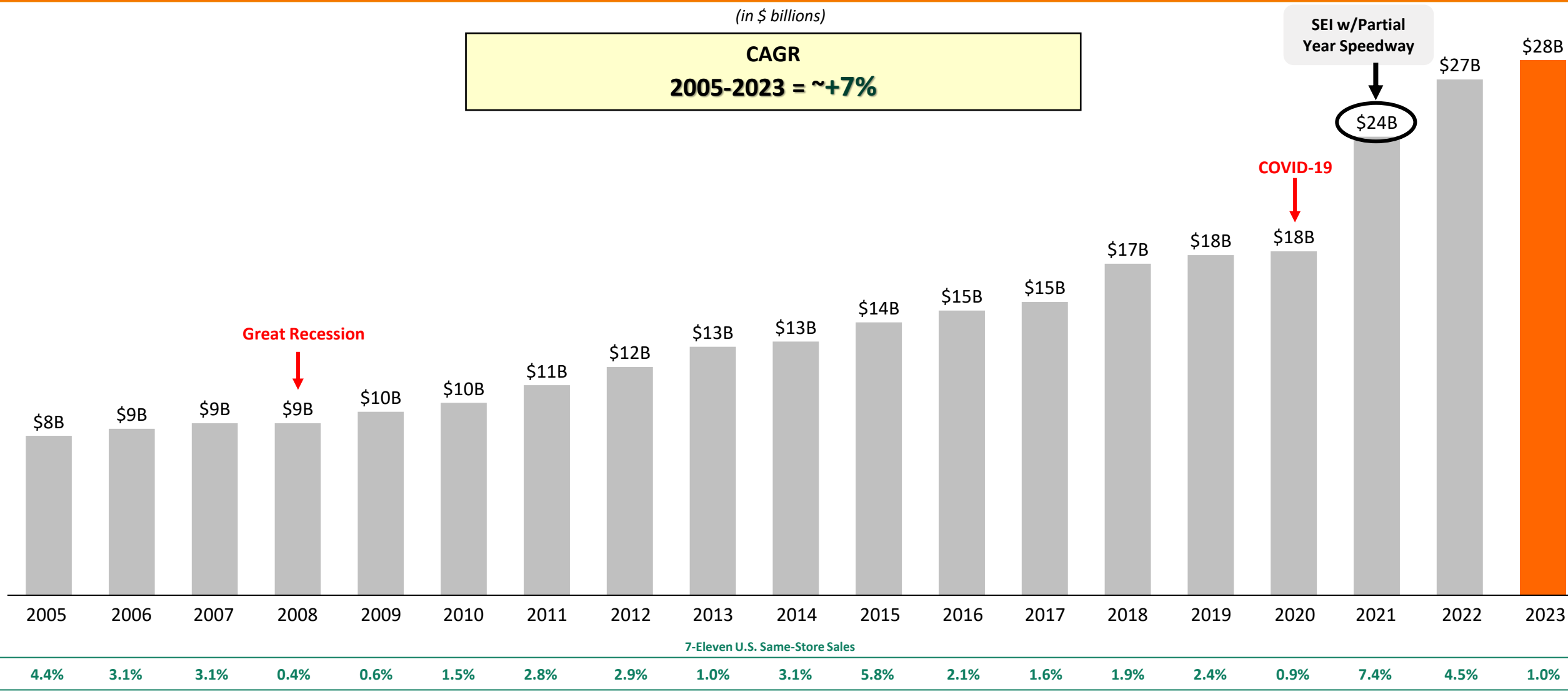


\$350M
2024 Budgeted Cost Reduction

SEI Will Strategically Identify Where We Can Take Costs Out of Our Business

SEI Resilience Through Past Recessions and Macro Headwinds

SEI Merchandise Sales



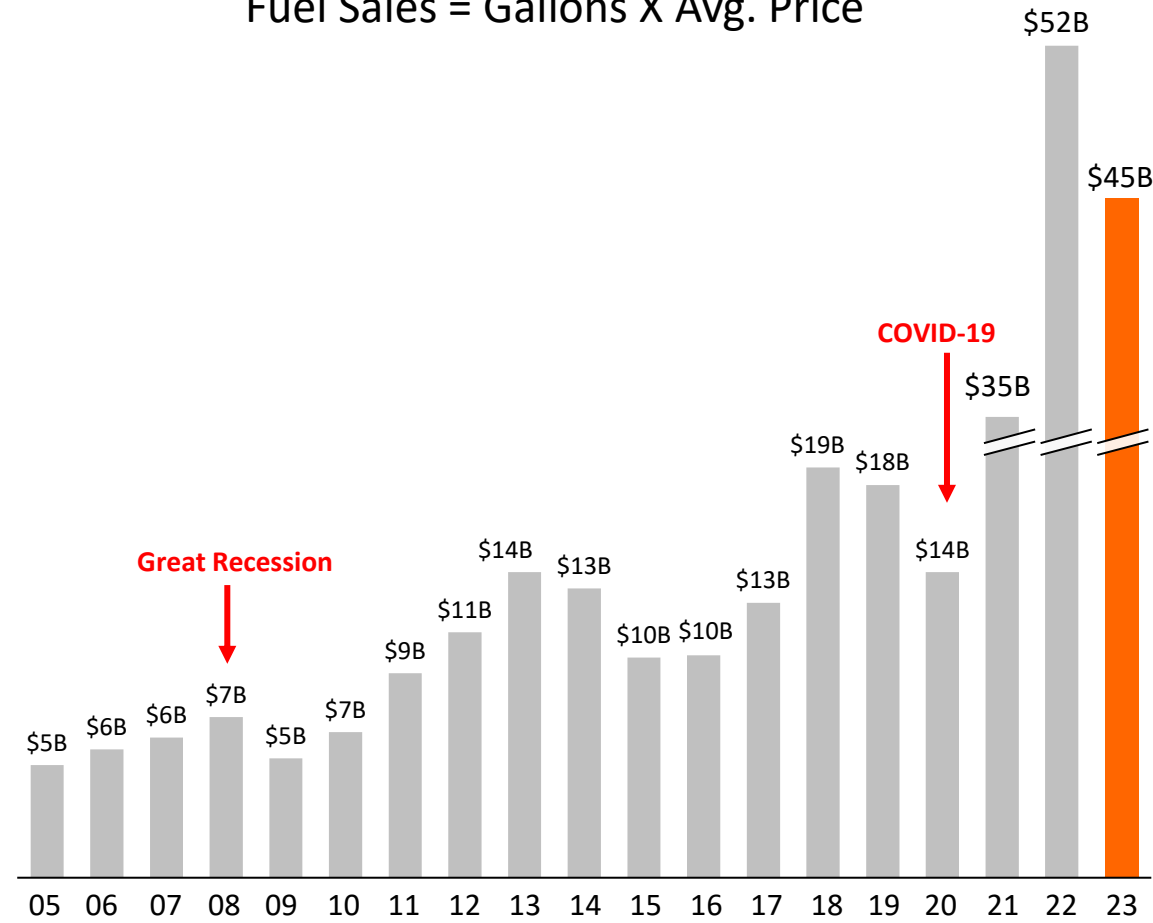
SEI's Merchandise Sales Have Grown at a ~+7% CAGR Since 2005

SEI Resilience Through Past Recessions and Macro Headwinds

SEI Fuel Sales *(in \$ billions)*

CAGR
2005-2023 = **~+13%**

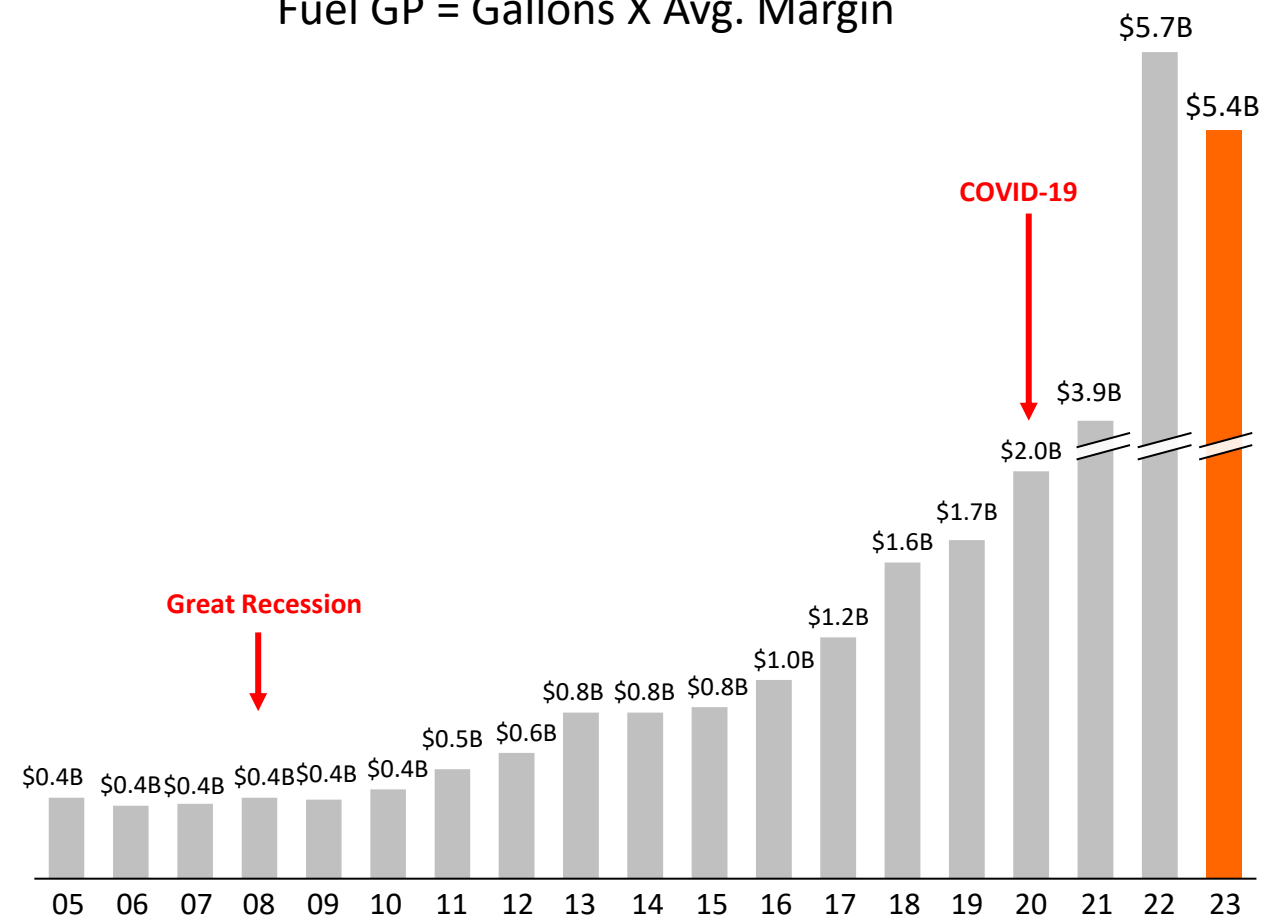
Fuel Sales = Gallons X Avg. Price



SEI Fuel GP \$ *(in \$ Billions)*

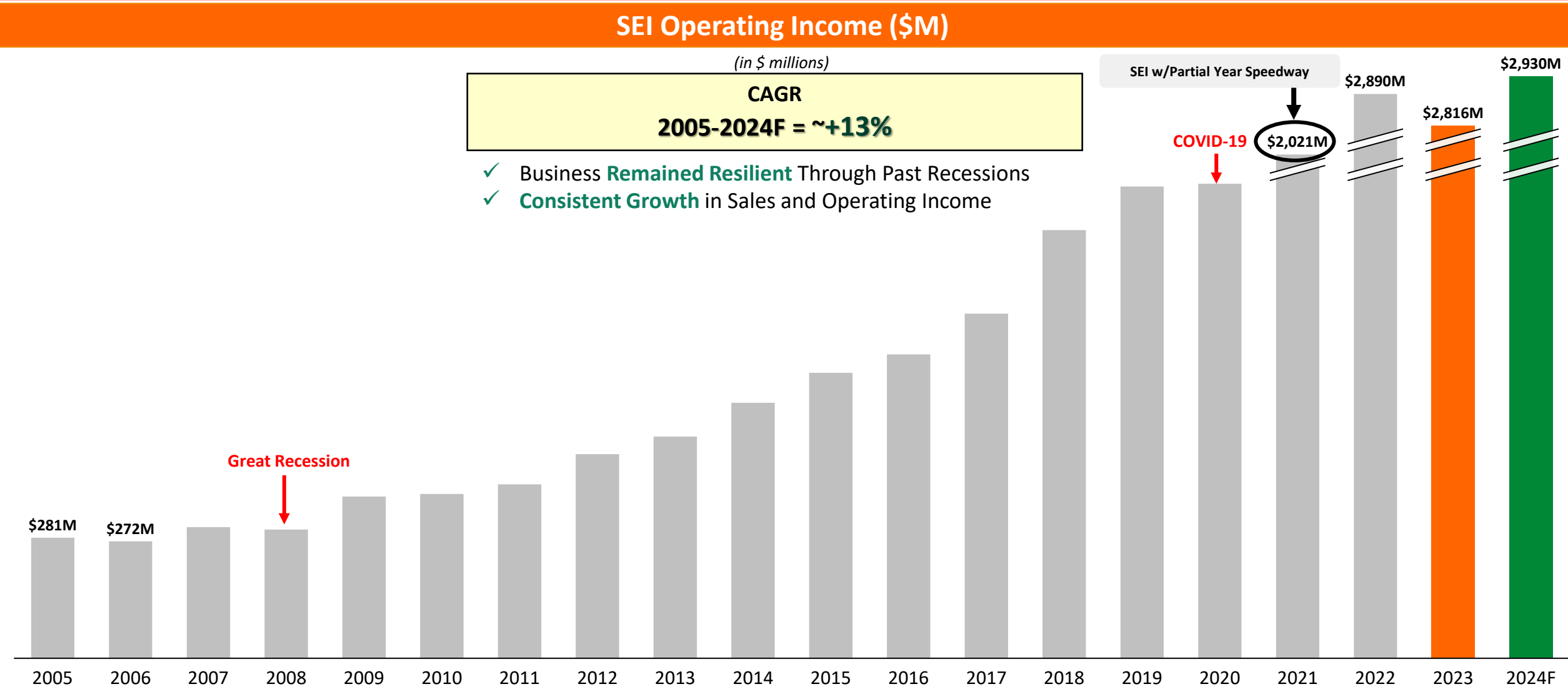
CAGR
2005-2023 = **~+16%**

Fuel GP = Gallons X Avg. Margin



SEI's Fuel Gross Profit Has Grown at a ~+16% CAGR Since 2005

SEI Resilience Through Past Recessions and Macro Headwinds

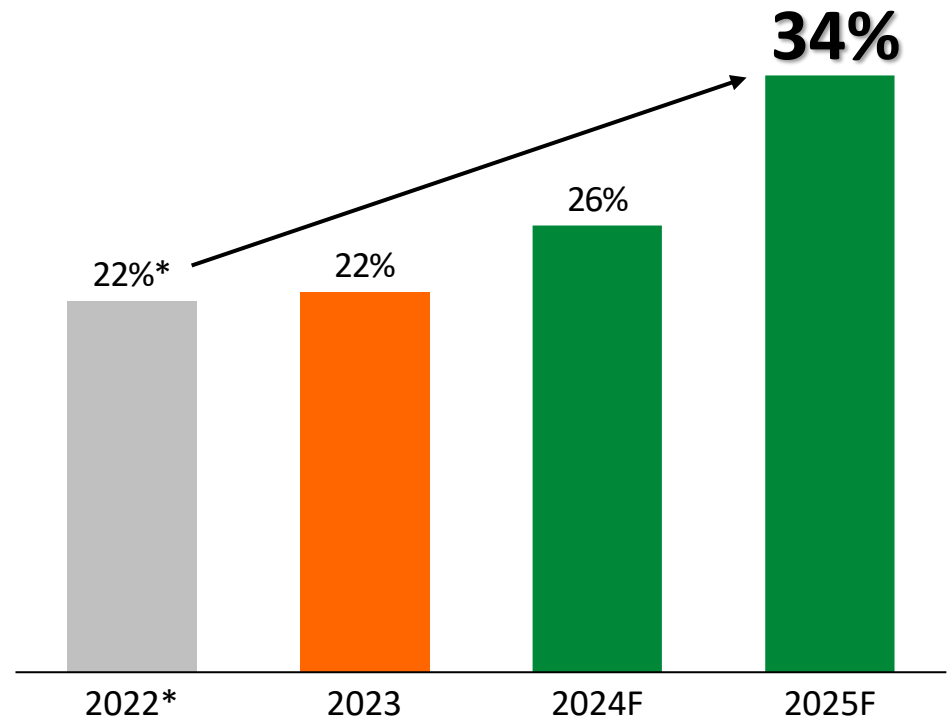


SEI Has Grown Operating Income at a ~+13% CAGR Since 2005

SEI Financial Performance Forecast

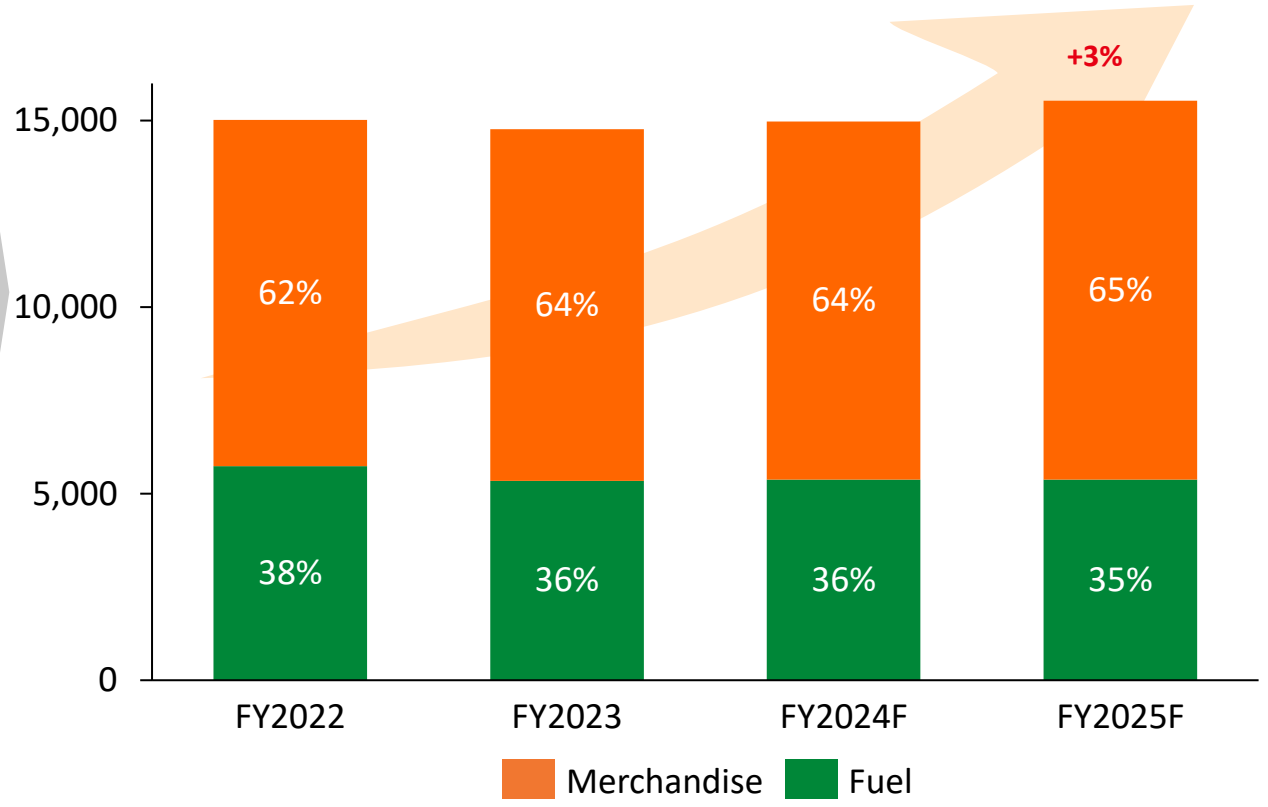
- Grow Proprietary Products as percentage of Merchandise sales mix to generate profitable growth
- Improve Merchandise Margin by growing Proprietary Product Mix

Proprietary Product Mix



*SEI alone at 24% - including SPW at 22% - plan to get all stores to 34% by 2025

Trend of Gross Profit and Mix (\$M)



Improve Merch GP & Margin by Growing Proprietary Products (Fresh Food, Proprietary Beverages, and PB)



The information disclosed by the Company may contain forward-looking statements. These statements are based on management's judgment in accordance with materials available to the Company at the time of disclosure, with future projections based on certain assumptions. The forward-looking statements therefore incorporate various risks, estimates, and uncertainties, and as such, actual results and performance may differ from the future outlook included in disclosed information due to various factors, such as changes in business operations and the financial situation going forward.



Seven & i Holdings Co., Ltd.

"IR Day2024"

Global CVS Operations Strategy

April 23, 2024

Global Strategy Promotion by 7IN



Accelerate growth of 7-Eleven globally

Growth Strategy of Global C-Store Business (7IN)

1 Accelerate New Market Entry

- Accelerate expansion into white space with strategic priorities in Europe, Latin America, Middle East, and Africa in addition to APAC (Including JV/M&A)
- Expand store footprint in new markets to increase growth and profitability

2 Support Existing Market Growth

- Close the performance gap among markets and maximize licensee growth potential by fully leveraging SEJ and SEI's core competencies
- Enhance the 7-Eleven global brand to increase profitability of 7IN and licensees

3 Invest in Strategic Markets

- Pursue accelerated profit growth through strategic investments and business involvement with licensees
 - ✓ Acquire 100% share of Australia business
 - ✓ Investment in Vietnam business



INTERNATIONAL

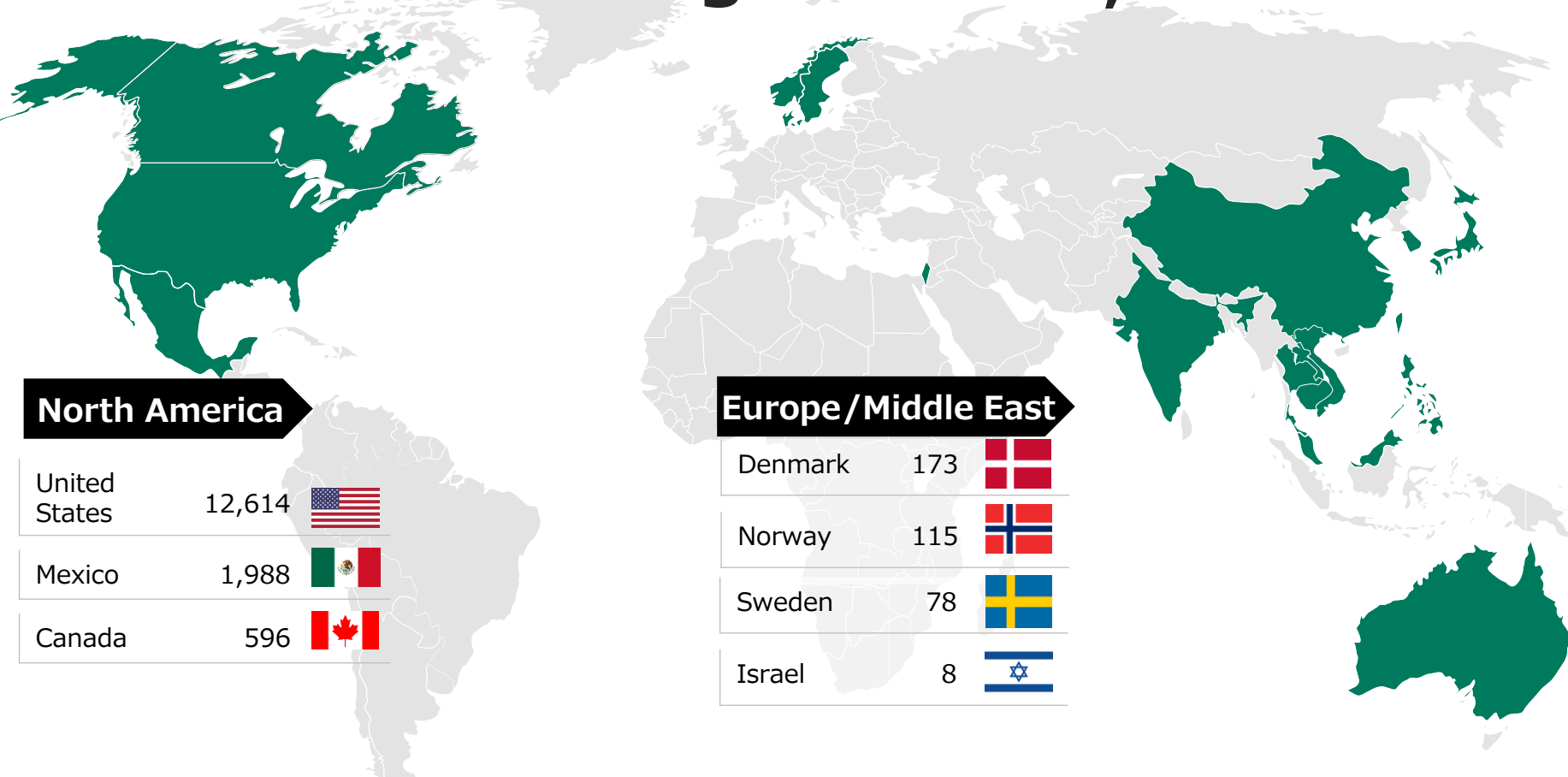
**7-Eleven
International LLC
(Since 2022)**

7IN to Lead Accelerated Growth Outside of Japan/North America

7-Eleven Global Footprint

As of March 31, 2024

20 Countries & Regions 84,762 stores



North America

United States	12,614	
Mexico	1,988	
Canada	596	

Europe/Middle East

Denmark	173	
Norway	115	
Sweden	78	
Israel	8	

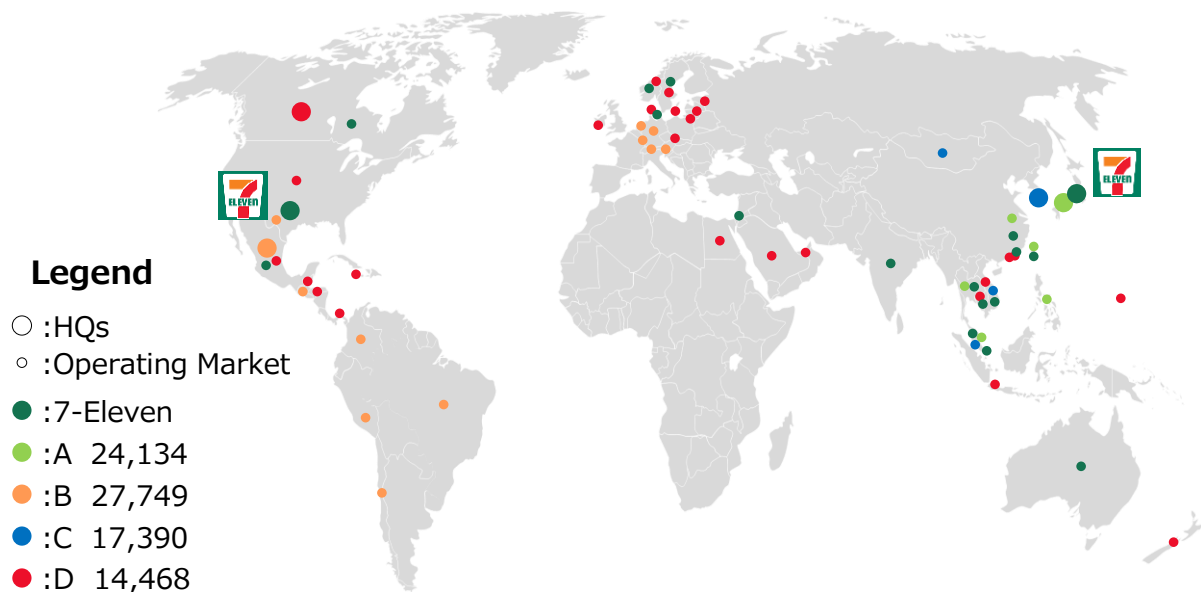
Asia-Pacific

Japan	21,544	
Thailand	14,730	
South Korea	12,911	
Taiwan	6,939	
China	5,142	
Philippines	3,829	
Malaysia	2,581	
Australia	775	
Singapore	501	
Viet Nam	99	
Cambodia	83	
India	52	
Laos	4	

Target: 100,000 stores in 30 countries/regions by 2030

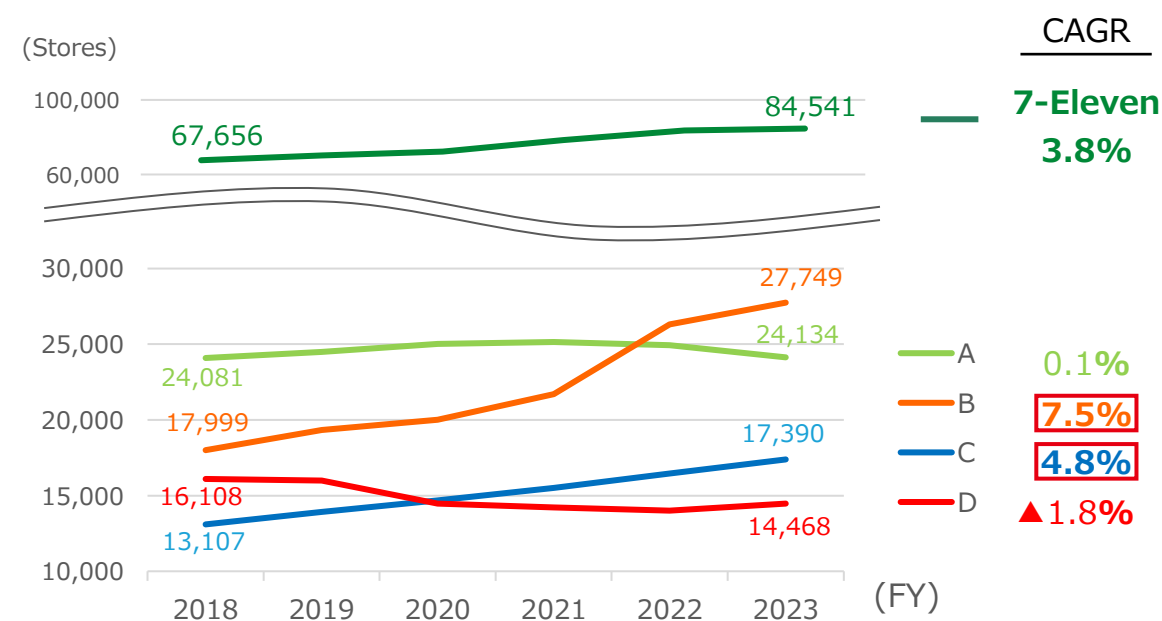
- The global C-Store Business market is growing rapidly, and competition is intense
- Global C-store competitors are aggressively seeking acquisition opportunities to grow

Major Global C-Store Players



Store counts: As of Dec 31, 2023

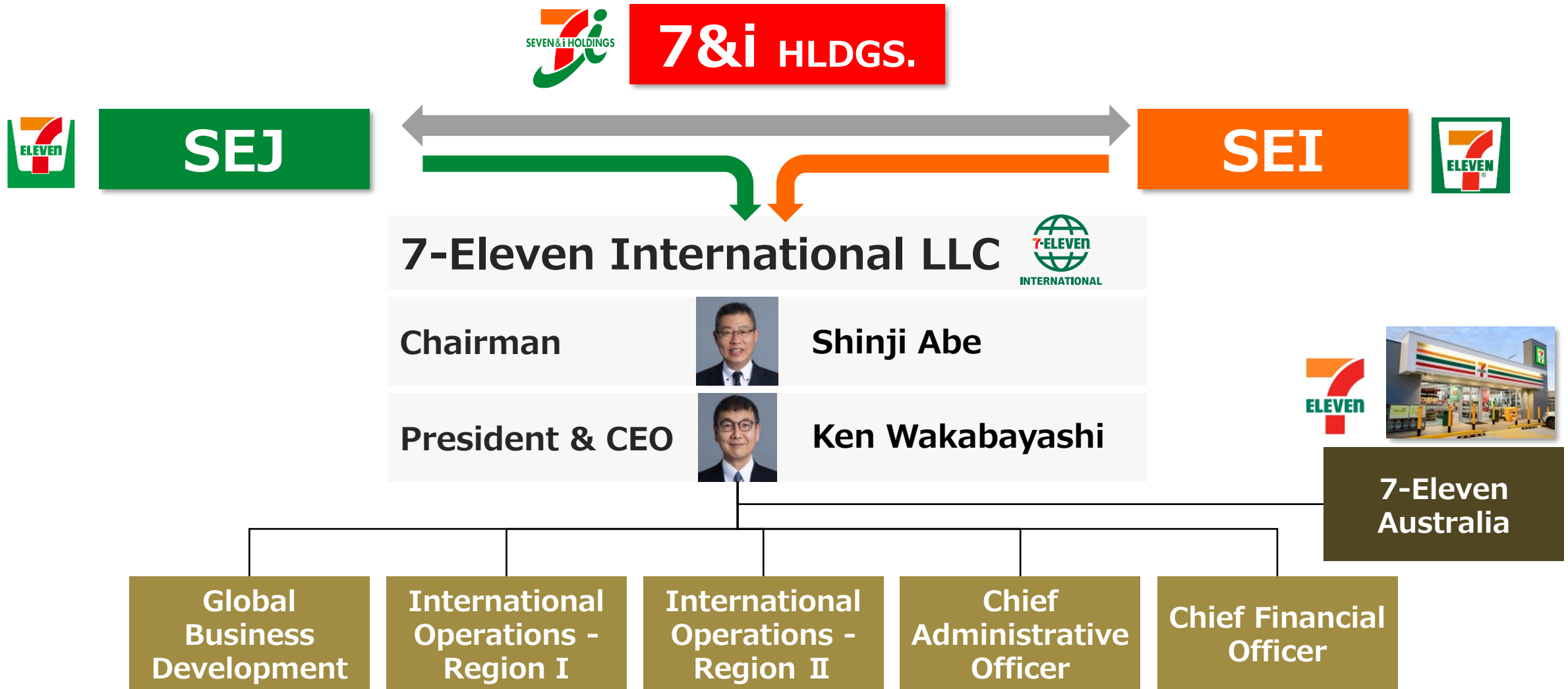
Store Count Trend



Source: Statista, Financial reports of each companies

Proactive market expansion enables 7-Eleven to grow into a truly global retailer

7IN Management Structure (Updated April 1, 2024)



Accelerate Growth of 7-Eleven Brand Globally



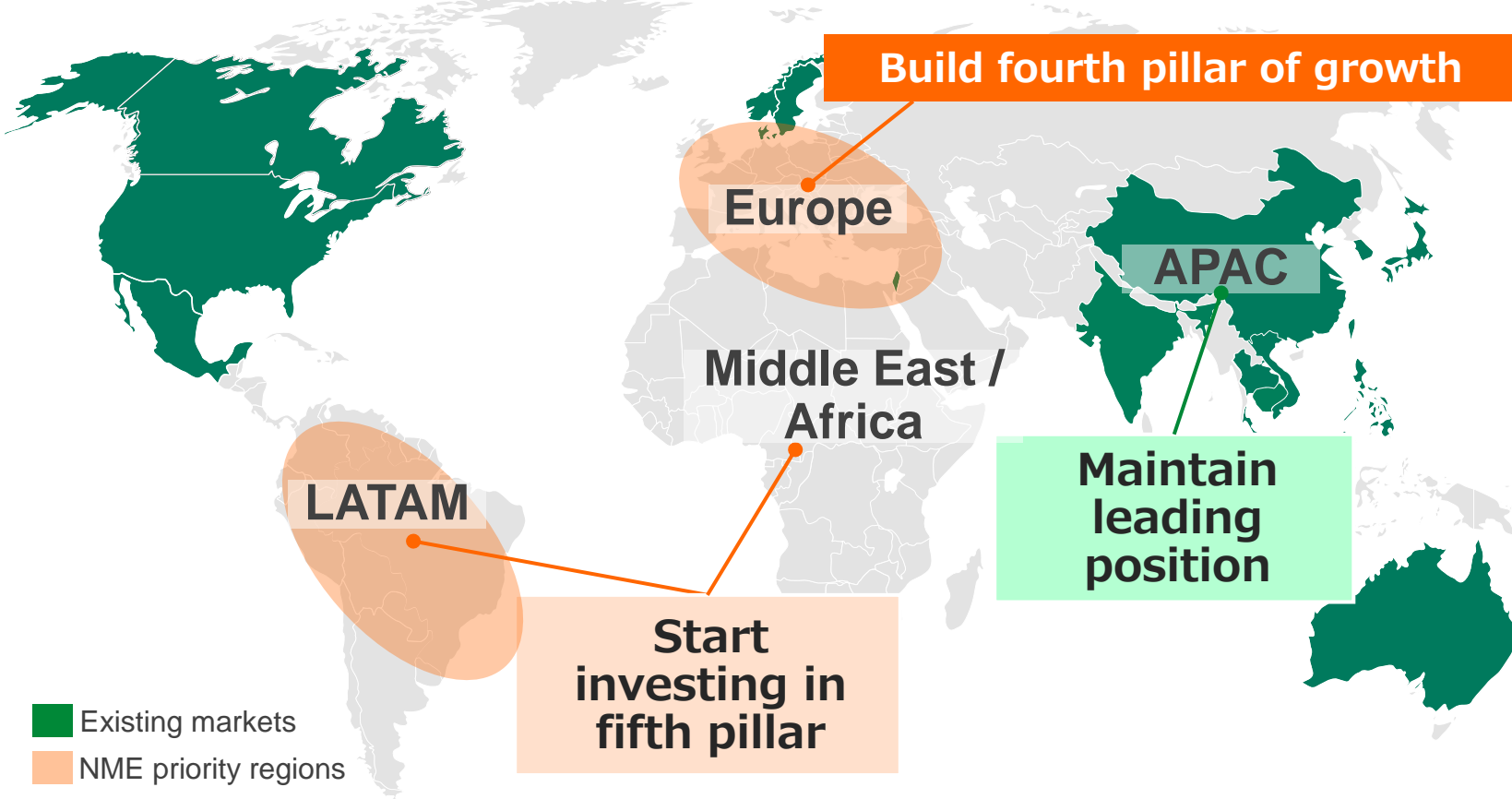
Accelerate New Market Entry

Support Existing Market Growth

Invest in Strategic Markets

New Market Entry Strategy

Build strong store network in 30 markets by 2030



APAC

Enter remaining markets while enhancing existing markets

Europe

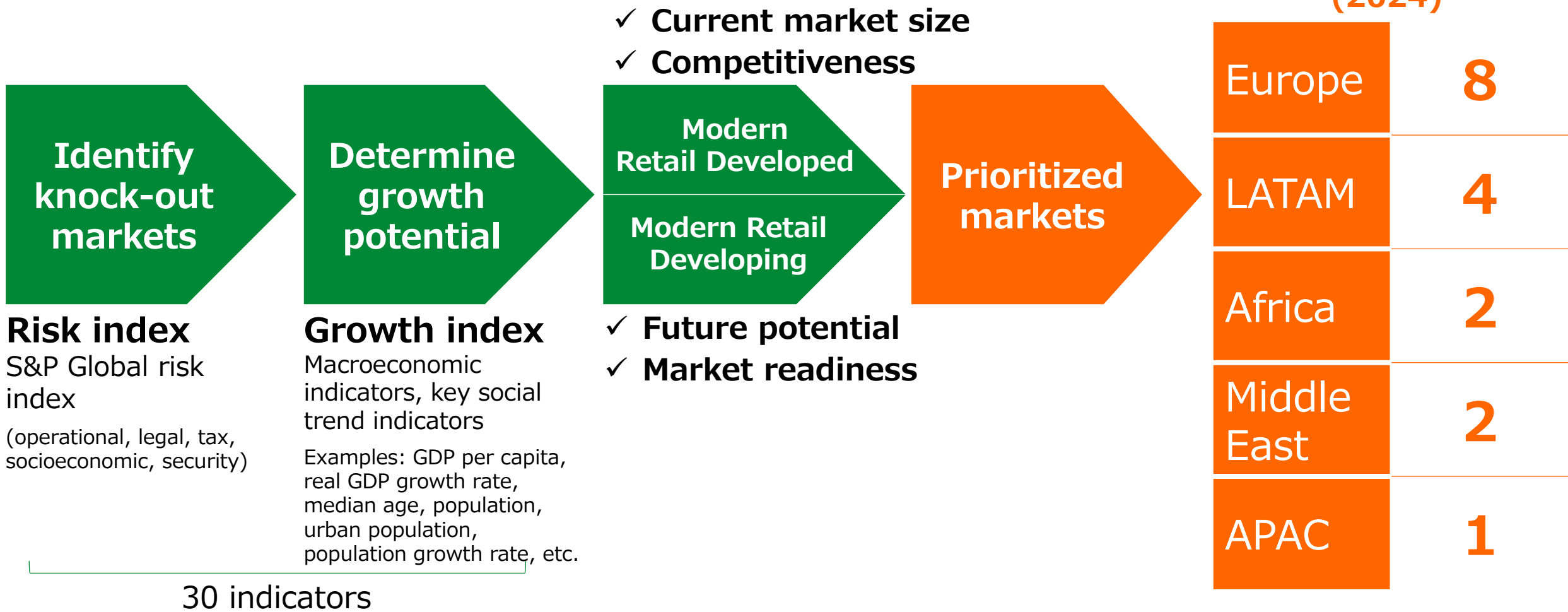
Partner with top performing companies to accelerate growth

LATAM/Africa/ME

Enter high potential and sizable markets

PIPELINE = 20 Markets (to be evaluated) **TARGET** = enter 2 countries/year

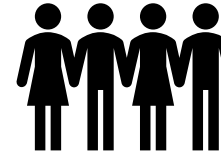
Market selection process



Target markets are based on detailed analysis of market conditions

New Market Entry Strategy – Selecting Partners

Exporting 7-Eleven Quality



Providing high-quality service to local consumers

Partnership

7-Eleven Core Competencies

Product Development



Market Concentration



Communications



Retailer Initiative



Digital (7GT)



Partner Capabilities

Food Production Capabilities

Financial Health

Existing Supply Chain

Long-term Investment Intent

Existing Network of Stores



Culture & Values

Marketing, Local Consumer Insights

Experienced Human Resources

Grow 7-Eleven Business Rapidly with Top Performers

New Market Entry Strategy – Selecting Models

Main models	Master Franchisee Agreement	JV Establishment or Consolidation (M&A)
Management	<ul style="list-style-type: none">▪ 7IN has no direct involvement▪ Accelerate growth through consultation and logistical support	<ul style="list-style-type: none">▪ Direct participation by gaining a seat on the BOD▪ Boost growth through secondment of human resources to key positions
7IN Income	<ul style="list-style-type: none">▪ Royalty only	<ul style="list-style-type: none">▪ Consolidated Revenues▪ Dividend income
Plan	 7IN to include the right to negotiate future share acquisition	 Acquire/Establish a JV with a local retailer or a related business company Develop new formats (bakery, café, etc.)

Focus on investment vs. MFA model to achieve a higher return



Accelerate New Market Entry

Support Existing Market Growth

Invest in Strategic Markets

Strategy

Introduce “7-Eleven with Food” leveraging 7&i strengths

- ✓ Close APSD sales gap among markets
- ✓ Expand customer base and quality offerings in all markets



Key Initiatives

Redefine Target Customer Profile + Value Proposition

Store
Development

Products
(FF•PB)

Store
Operations

Digital

Utilize SEJ + SEI expertise

Enhance all markets with key strategic initiatives

Growth In Existing Markets: Convert To “C-Stores with Food”

► Market Placement

(Based on 14 indicators of performance + macro trends)

		APSD sales \$ (adj. PPP index)	Population per store (2023)	Population Growth Index (2020-50)	Median Age (2023)
Ref.	SEJ (Japan)	7,000+	5,780	83	49.1
	SEI (U.S.)	5,000+	25,789	112	38.1
Model	Market1	7,000+	5,000<	95	40s
	Market2	5,000+	5,000<	95	40s
Priority	Market3	5,000+	7,000<	90	40s
	Next A	3,000+	30,000+	120+	20s
Top Priority	Australia	4,000+	34,574	126	37.5
	Market4	3,000+	10,000+	100+	40s
	Vietnam	3,000+	94,152	111	32.8
	Next B	1,000+	5,000<	90<	40s
	Next C	1,000+	10,000+	120+	30s

Indicators Source:

- Population per store: Population/Store counts (Store Count: As of December 31, 2023, Populations: As of 2023 (IMF), for Vietnam is only HCMC)
- Population Growth Index: United Nations, Estimates and medium projections of 2020-2050. Total Population, as of 1 January. Indexed with 2020 as 100 by 7IN
- Median Age : IMF

7IN invested markets: The markets with potential for higher APSD sales, room to expand store counts, as well as with a population growth

► Existing Market Growth Plan

Close performance gaps

- Classification by performance and macro trend score
- Select markets with high growth potential and potential for performance improvement as priority markets
- Strengthen strategy development and implementation support tailored to the characteristics of each market



Convert to “C-Stores with Food”

- Expand customer base and value in each market
- Build a system to create quality, differentiated food products rooted in the local community

Transform into C-stores with Food to meet local needs

Malaysia Food Value-Up Progress

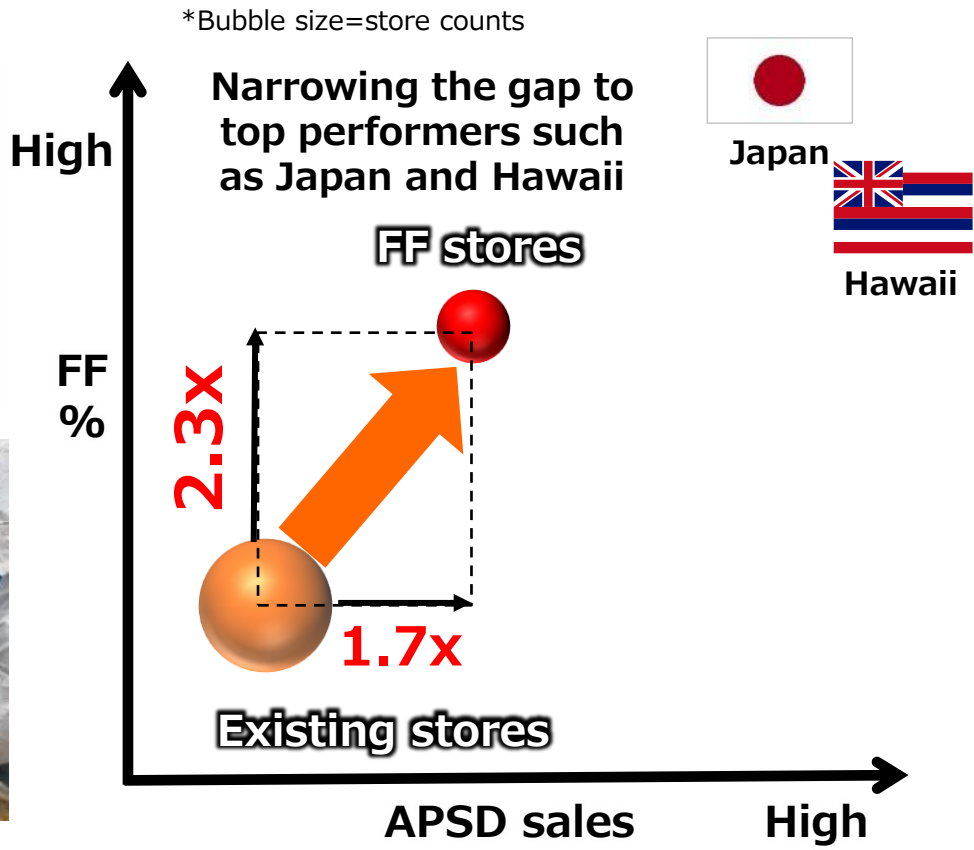


▼ New commissary



Started producing new items

▼ FF store results



Rolling out FF stores

▼ Commissary expansion plan



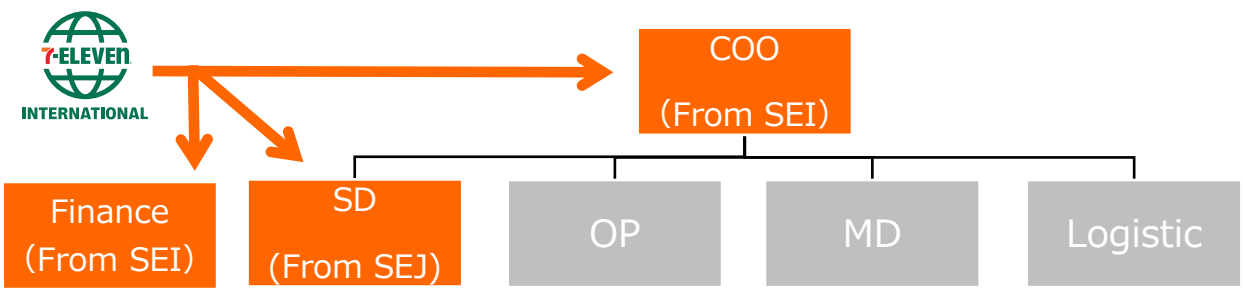
Expanding outside of Kuala Lumpur

Expand food assortment to boost sales nationally

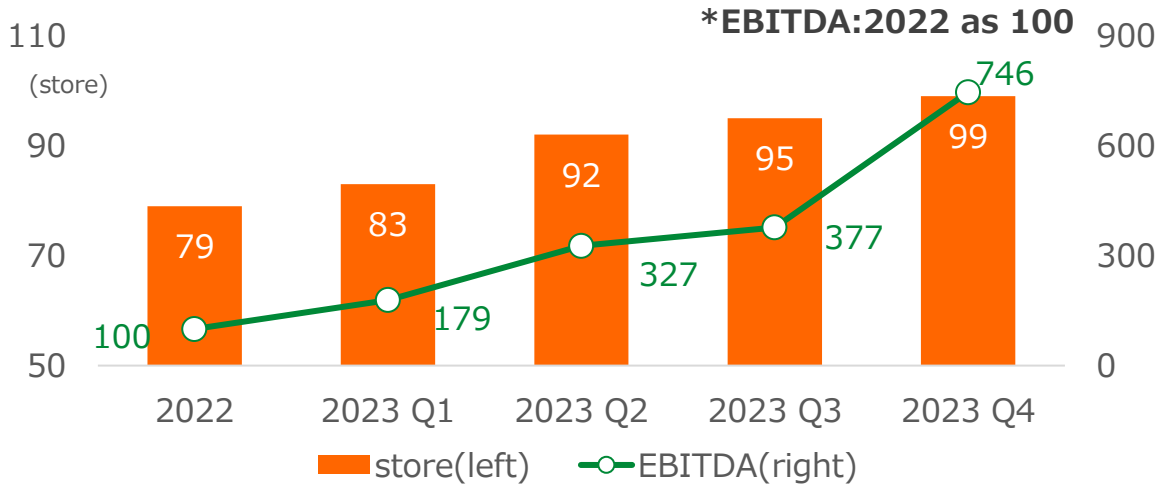
Investment Growth Strategy: VIETNAM



▼New org chart (2023 June~)

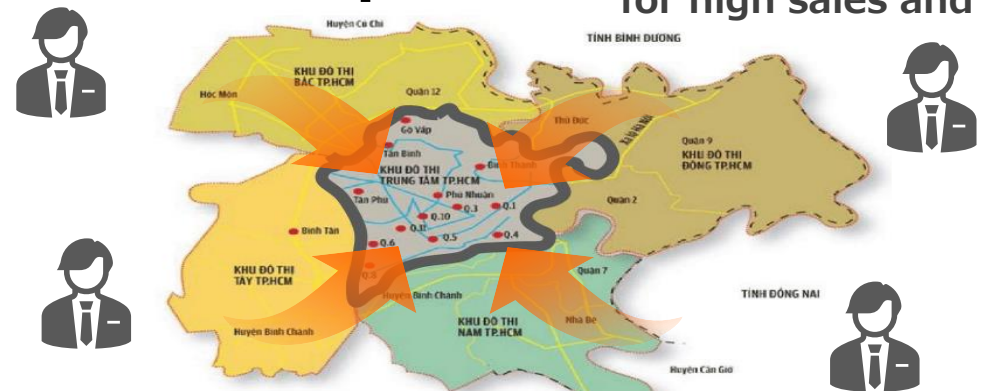


▼Store EBITDA and store count



▼Store development

Strengthen urban stores for high sales and profit



New store sales improved almost the same level with existing store's sales

- The first JV project converted from MFA model
- Dispatched strong personnel to key posts and participating in management
- Improved overall business performance since the JV formation last year
- Found a formula for business growth in a high-potential market through strategic investment and financing

Significant improvement of financial results from 2023

Vietnam Food Value-Up Progress

▼APSD sales & store count (End of 2023)

	Brand A	Brand B	Brand C	Brand D	7-Eleven	Brand E
APSD sales (USD)	\$879	\$832	\$851	\$784	\$1,004	\$690
Store Count	466	236	167	161	99	78
Store Count share %	39%	20%	14%	13%	8%	6%

*APSD sales of competitors =calculated by total revenue divided by store/ Source: Euromonitor
 *Currency converted to USD



Significant growth in hot foods with enhanced menu development



Strengthened packaged food development

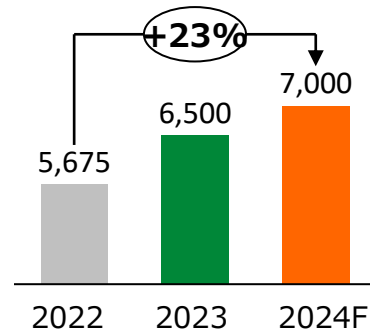
Increase store count while maintaining higher APSD sales

Creating hero items rooted in local food culture

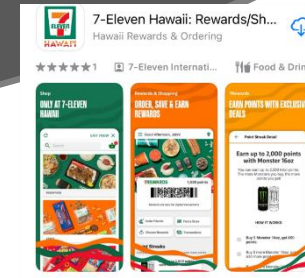
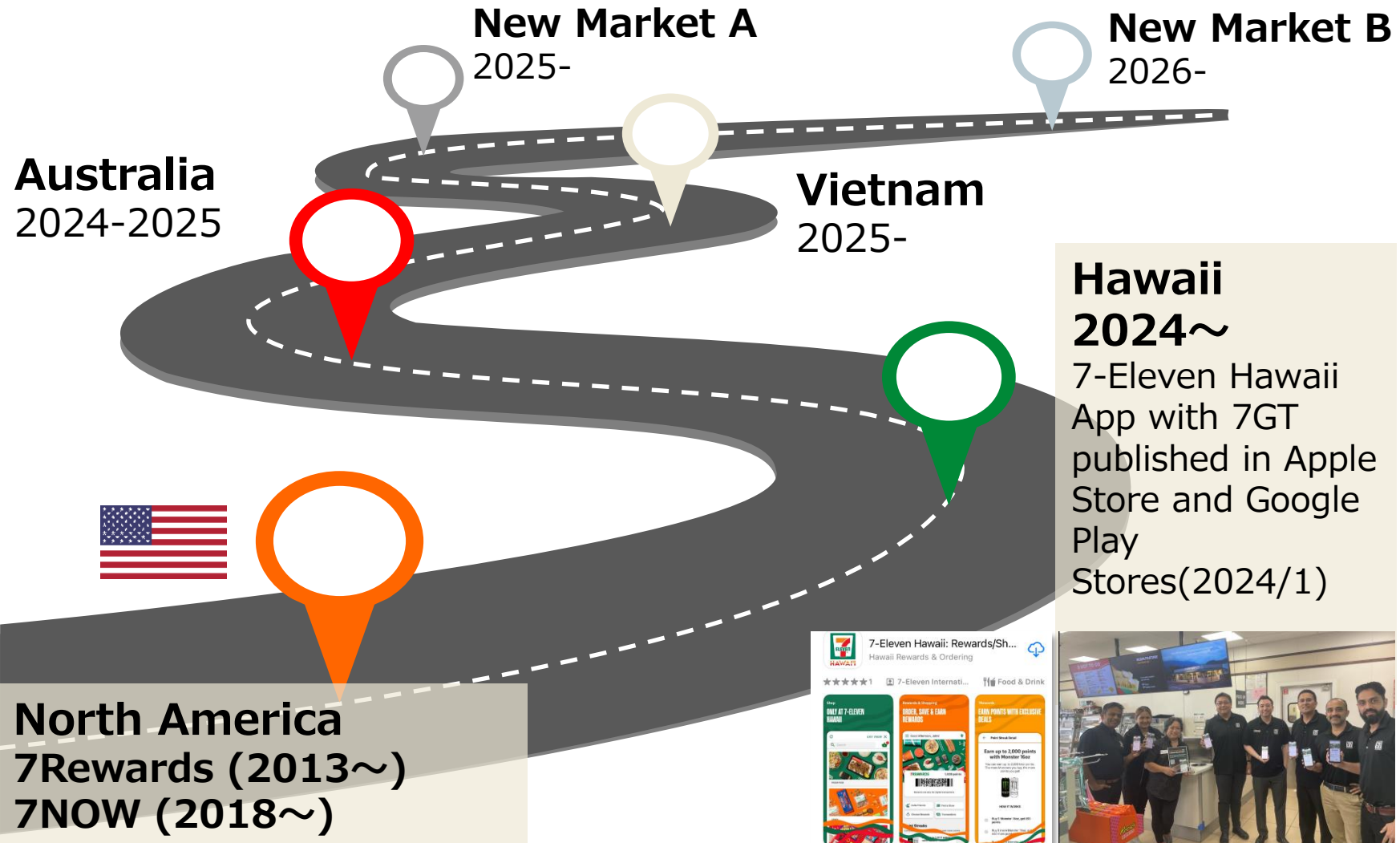
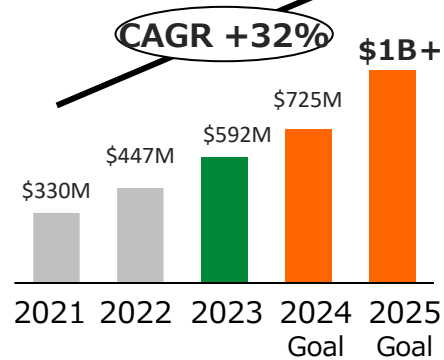
7GT Pilot Test in Hawaii: The First Step for Global Expansion



7NOW Store counts



7NOW Sales



7GT: Enhanced customer experience and simplified store operations



Accelerate New Market Entry

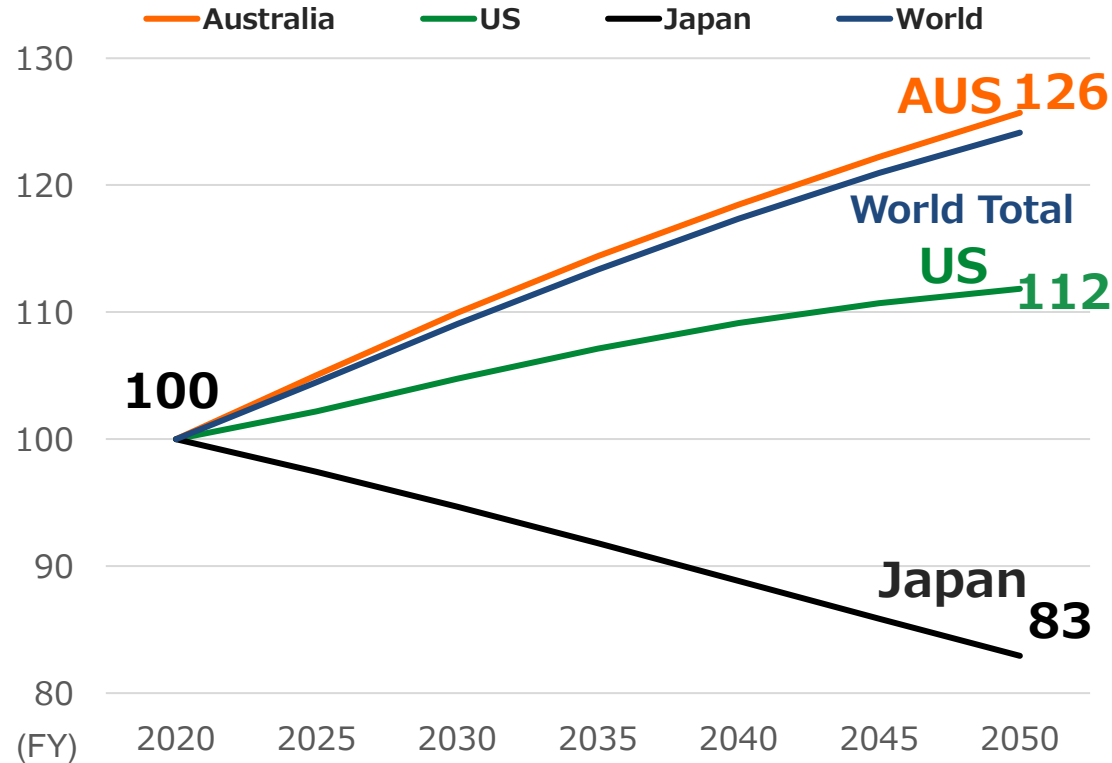
Support Existing Market Growth

Invest in Strategic Markets

Investment Growth Strategy: AUSTRALIA

Global Population Growth Forecast^{*1}

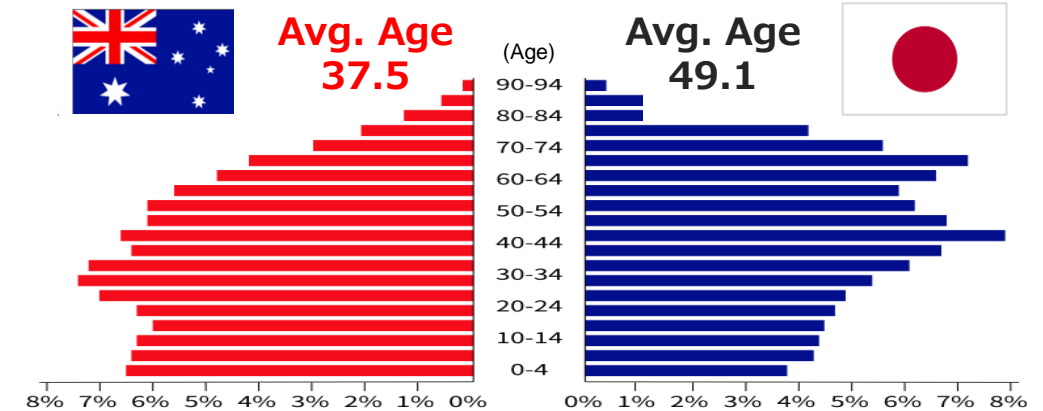
(Indexed with 2020 as 100)



^{*1} United Nations. Department of Economic and Social Affairs Population Division. World Population Prospects 2022. Estimates and medium projections of 2020-2050. Total Population, as of 1 January. Indexed with 2020 as 100 by 7iN.

^{*2} SEJ and SEI store counts as of August 31, 2023; SEA store count as of June 30, 2023.

Age Distribution^{*1}



Population / Region^{*1,2}

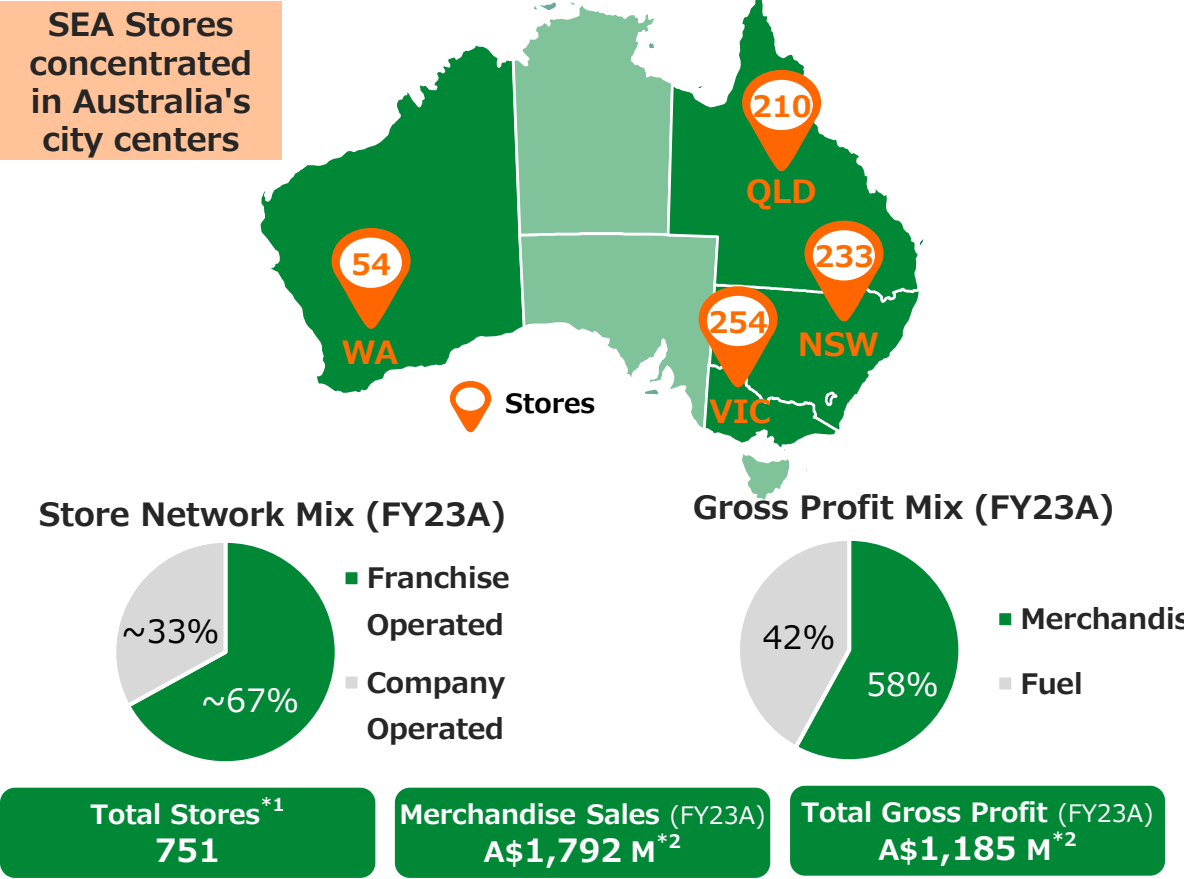
	SEJ 	SEI 	SEA
7-Eleven Stores (Stores)	21,281	13,145	751
Population (Million)	123	339	26
Population / Store (People)	5,780	25,789	34,574

Attractive Growth Market Due to Demographic & Density

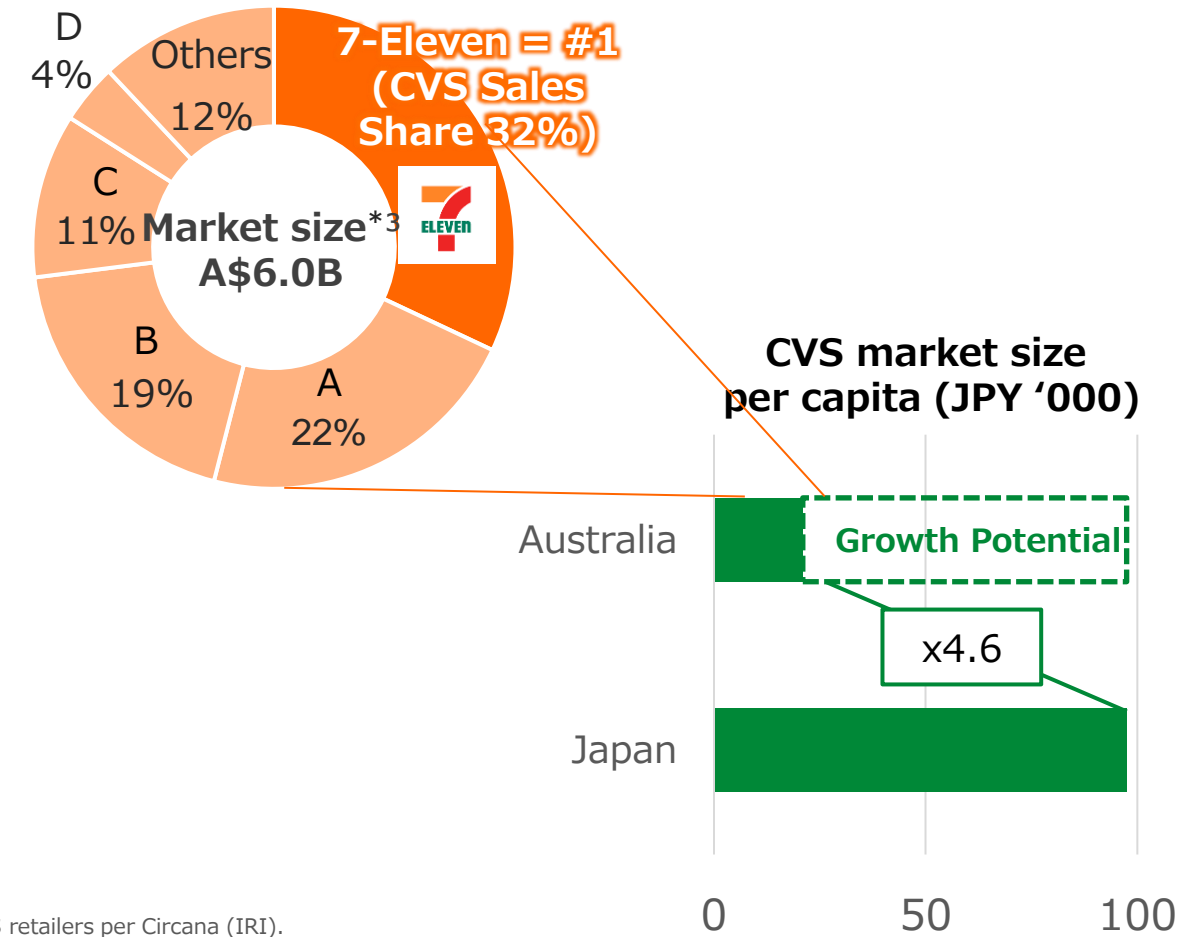
Investment Growth Strategy: AUSTRALIA



7-Eleven Australia (SEA) Overview



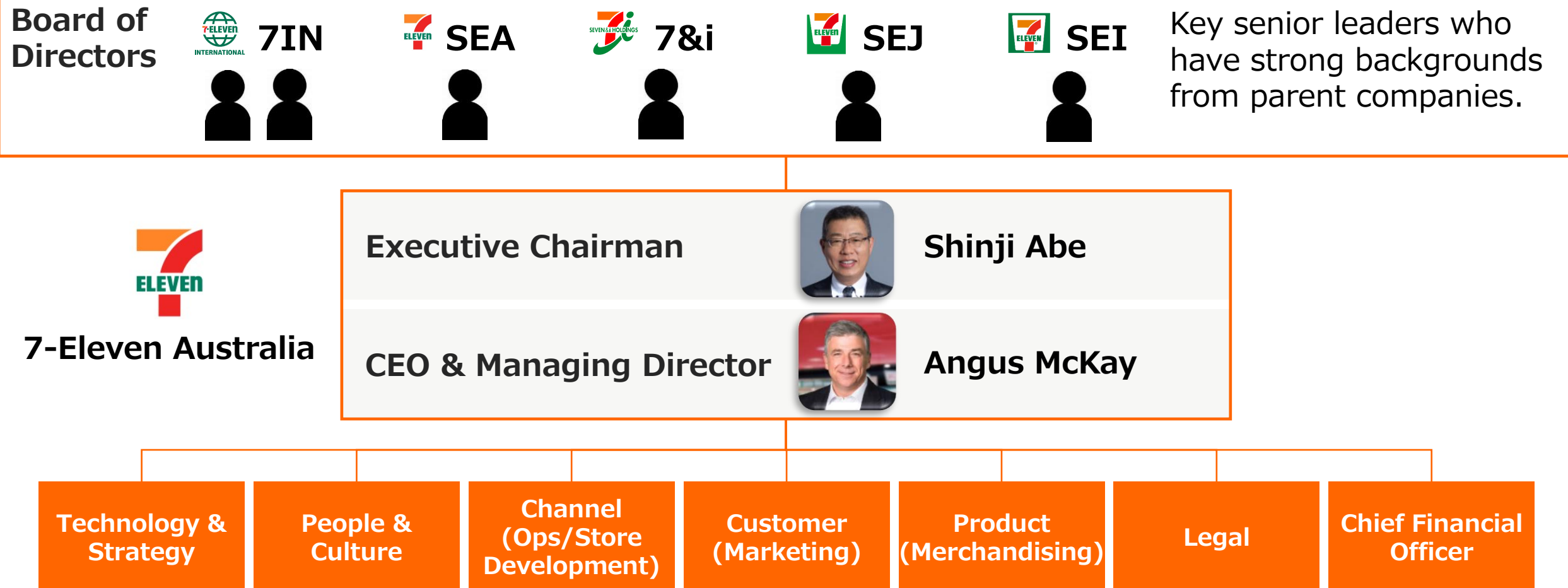
Growth opportunity for the Convenience Store sector in Australia



Source: Financial information provided by the seller. Fiscal Year ending June.
*1. Store count as of June 2023. *2. Reflects network-level metrics. *3. Market size and share for major Australian CVS retailers per Circana (IRI).

Strengthen leading position with enhanced core competencies

SEA Management Structure



Strong leadership team will accelerate SEA growth

Investment Growth Strategy: AUSTRALIA

Australia's growth can be unlocked by...

Population per store:
Australia ~35,000
Japan ~6,000

of SKU's per store:
SEA less than half of SEJ

Retailer Initiatives, SEJ's
competitive edge, not
implemented yet

E-commerce ratio:
Australia food sector 6%
SEA 2.6%

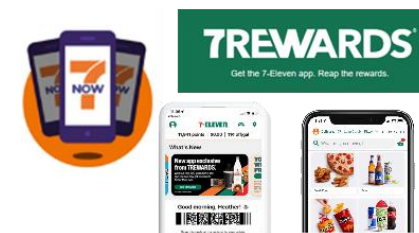
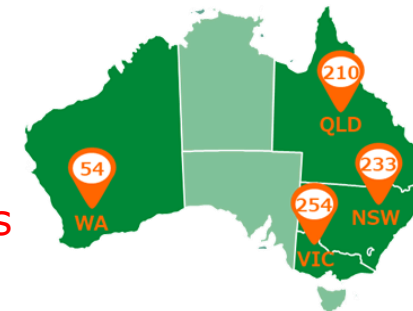
Store Development

Merchandising

Operations

Digital

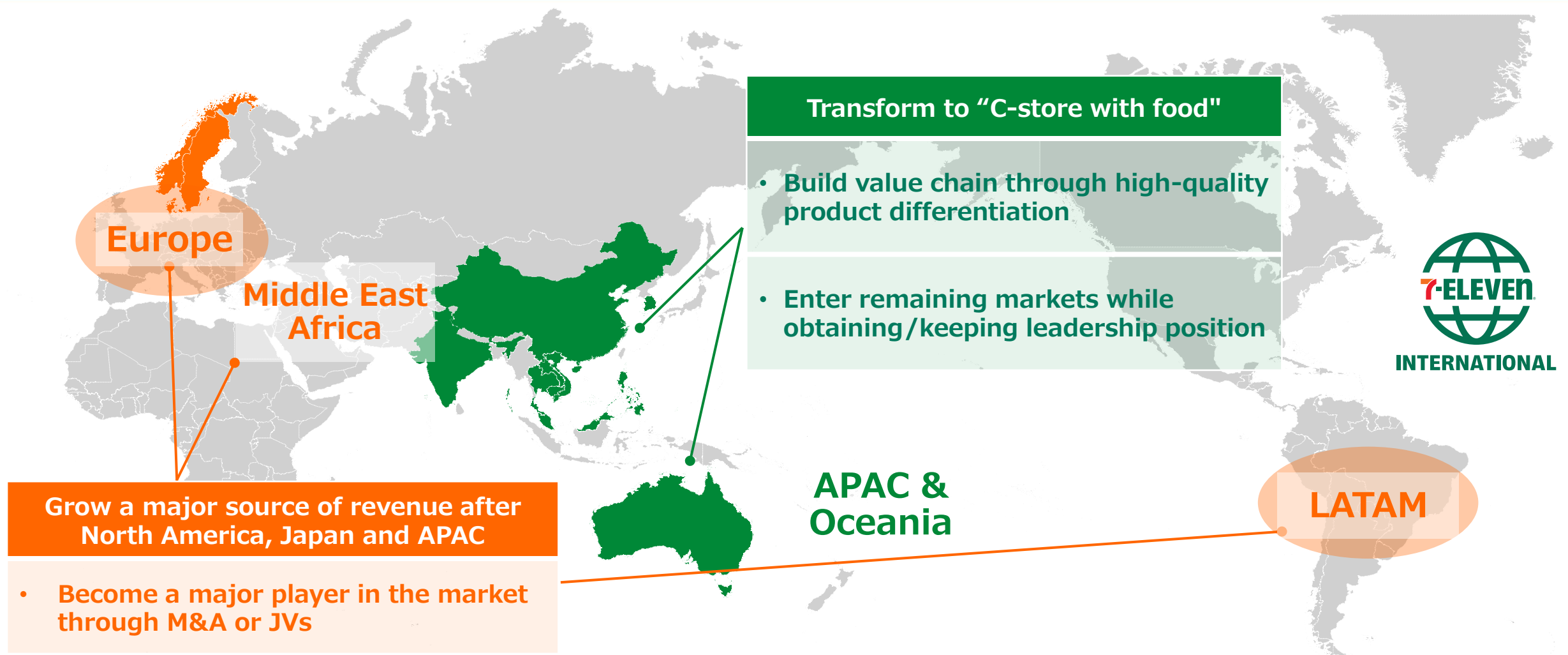
- Increasing # of store developers to accelerate store expansion
- Increasing non-gas stores and improve profitability
- Enhancing FF mix around hot drinks
- Expanding assortment to fulfill customers' needs
- Improving sales floor efficiency via store systems improvement
- Executing Retailer Initiatives
- 7GT introduction to enhance loyalty program and delivery





SEJ + SEI strengths will support growth in Australia

7-Eleven International's Mid/Long-term goals



- 7-Eleven will be embedded into every market as the "world's favorite convenience brand"
- 7-Eleven International will be one of key group companies to significantly contribute to increase the Group's corporate value, along with Seven-Eleven Japan and 7-Eleven, Inc.



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Seven & i Holdings Co., Ltd.

"IR Day2024"

Domestic CVS Operations Strategy

April 23, 2024

Seven-Eleven Japan “Ideal Image” and “Vision”

“Ideal Image” and “Four-part Vision”

Build a joyful future, together

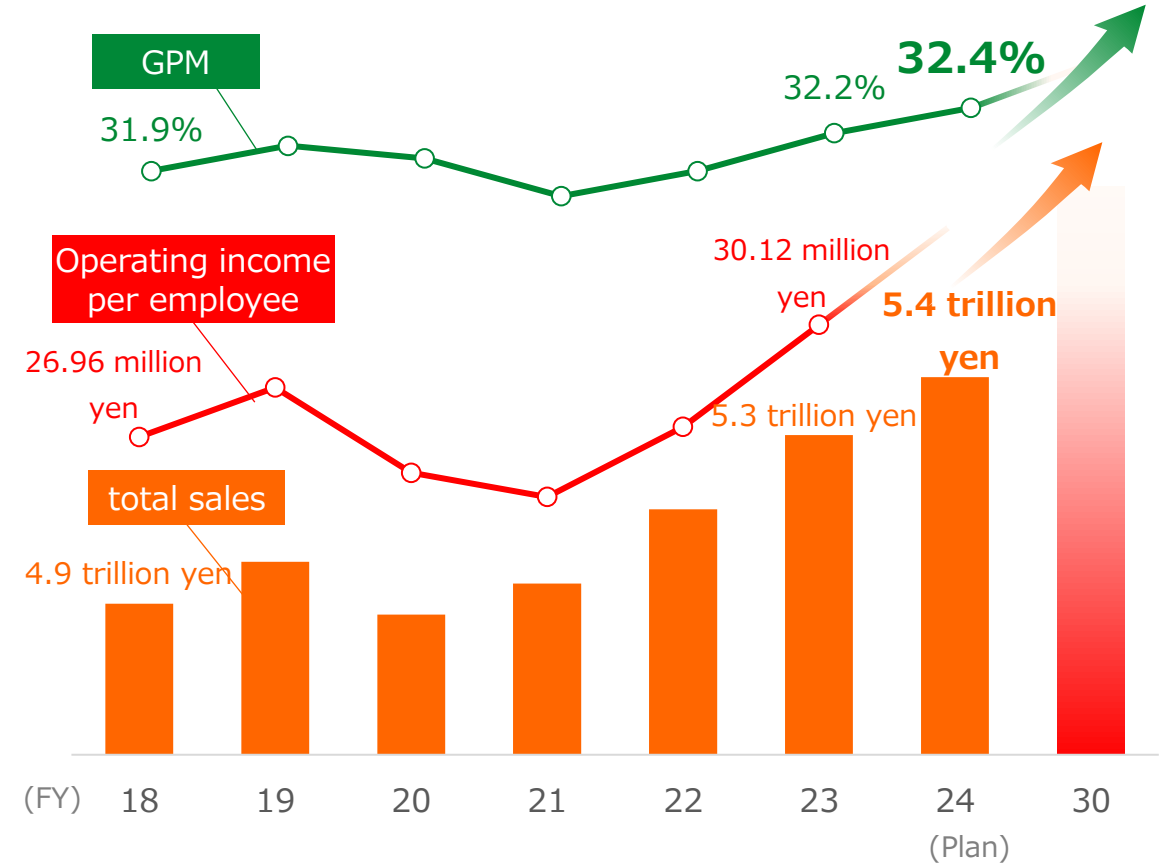
Health	Realize a healthy society through valuable merchandise and services
Community	Realize a society that thrives alongside neighborhoods
Environment	Realize a circular society that respects the environment
Human Resources	Realize a fulfilling society in which diverse people can play an active role

◆ Major KPI for Growth



Management indicators・KPI

Increase productivity per employee while improving sales and gross margins and promoting IT/DX



Realize the “Ideal Image” by offering both economic and social value

Growth Strategy of Domestic CVS Operations (SEJ)

1 Further Strengthen “Food”

- Expanding what we learned from SIP Store to existing stores
- 7NOW to expand

Average daily sales ↑

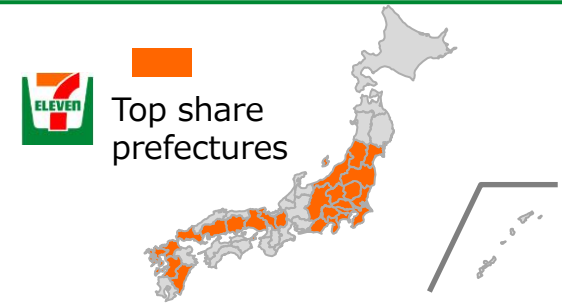
Gross profit margin ↑



2 Store Opening Strategy

- Meticulous plan for opening stores in accordance with location and Community development

Number of stores ↑



3 Sustainable Management

- Improve productivity in HQ and FC stores through pursuing operational efficiency
- Enhance efforts for measures against food loss/waste



Growth Strategy of Domestic CVS Operations (SEJ)

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Average daily sales ↑

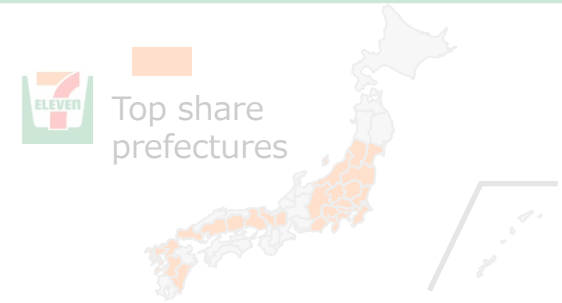
Gross profit margin ↑



2 Store Opening Strategy

- Meticulous plan for opening stores in accordance with location and Community development

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3 Sustainable Management

- Improve productivity in HQ and FC stores through pursuing operational efficiency
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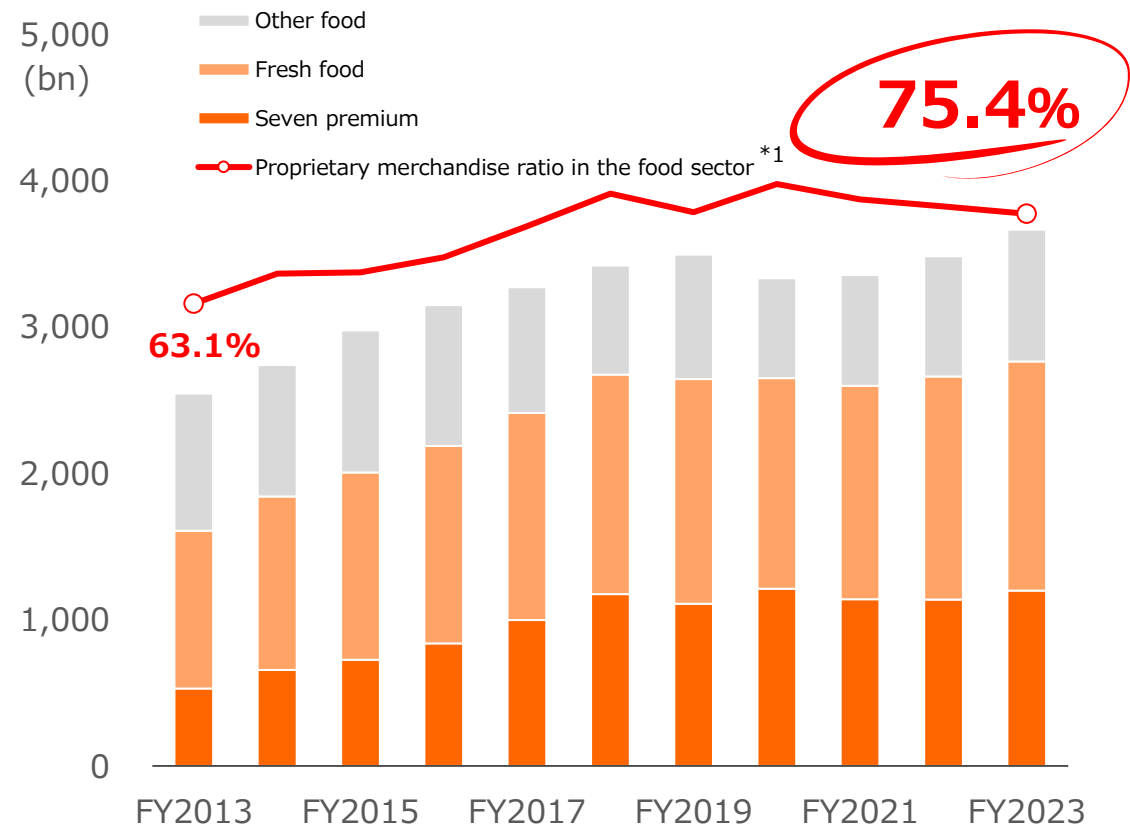


Further Strengthen Food Area : Strength of “Food” in Seven-Eleven



Trend in sales of proprietary merchandise as our growth foundation

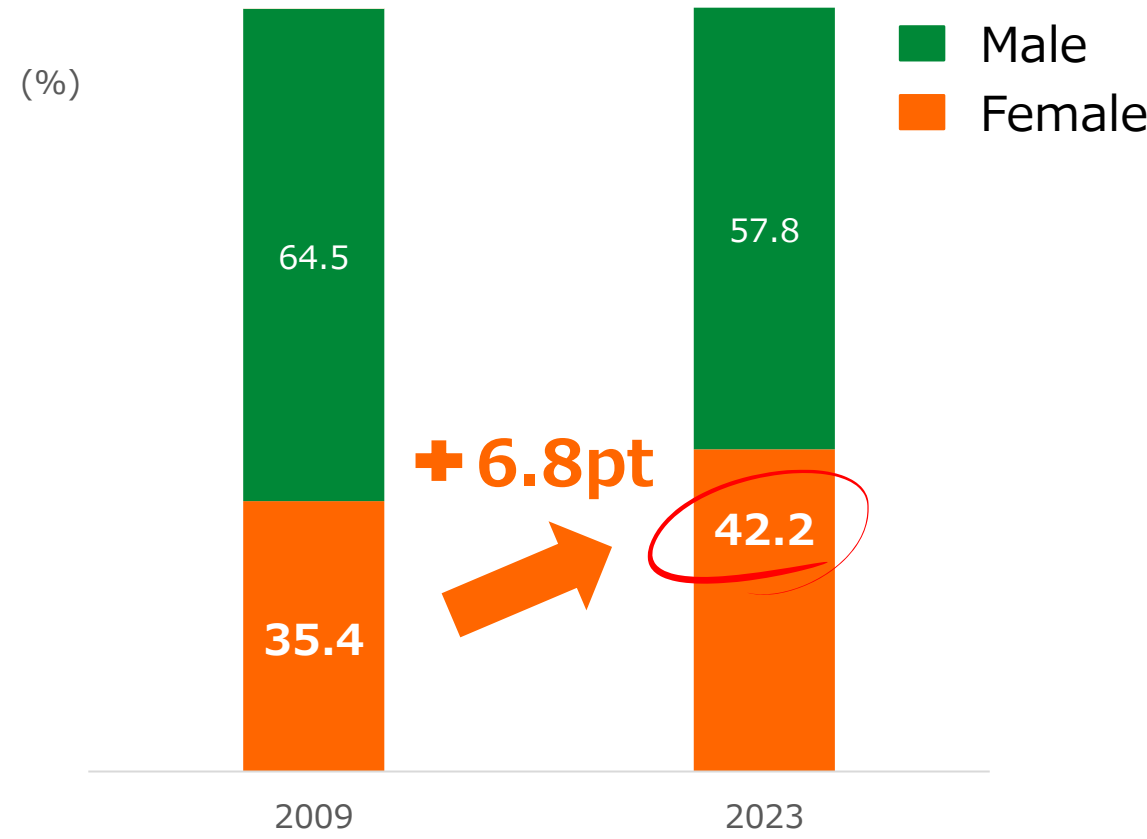
Merchandise strategy adapts flexibly to the changing environment...



*1 Sales ratio of Fresh Food and Seven Premium in Food area

Customer's gender ratio*2

... and contributes to greater share of female customers



*2 2009 figures based on in-store surveys. 2023 figures based on internet survey

High ratio of proprietary merchandise contributes to Seven-Eleven's resilience and secures wider range of customers

Further Strengthen Food Area : What we learned from SIP Store

SIP Store: 5,300SKU (1.7x more than general stores)

Changes brought about by expanding assortment

◆ March average excluding open sale period (YoY)



◆ Avg. spending per customer/Number of Items Purchased

※ Index based on performance in general stores as 100



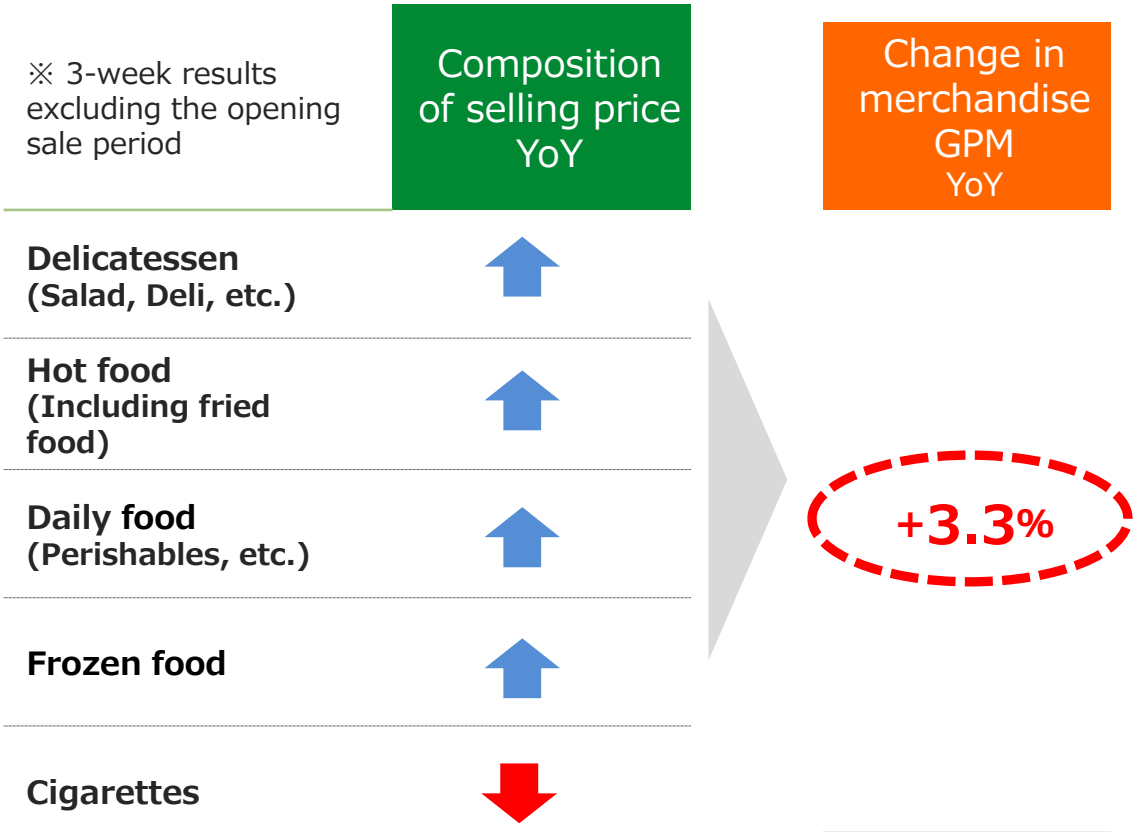
※ Index based on overall performance in SIP Store as 100

Categories with particularly high index	Avg. spending per customer	Number of items purchased
Daily food (Perishables, etc.)	149	139
Frozen food	149	147



Improving GPM

merchandising mix increases gross profit amount



SIP store initiatives in response to changes such as the shift to small trade areas will lead to higher sales and gross margins

Further Strengthen Food Area : What we learned from SIP Store

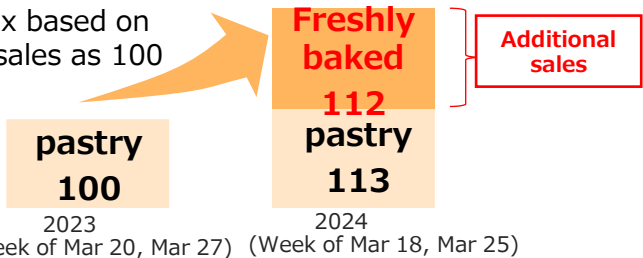
Rapidly expanding effective merchandise in SIP Store to existing stores

Bake In Store



Freshly made products in high demand
(including Pizza)

* Index based on
pastry sales as 100



Assortment expansion (Example: Frozen Food)

Responding to changes in purchasing preferences and resulting expansion in customer base

Company A
Dumplings (Pack of 12)



7P Microwavable Fried
Dumplings (pack of 5)



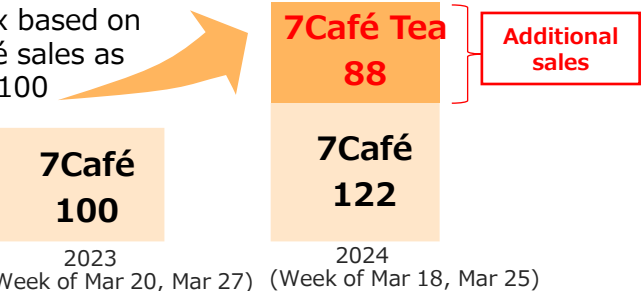
7 Café Tea



Entering the tea market

(Sparking innovation in the marketplace)

* Index based on
7 Café sales as 100



Pros.



Family
Affordable

Cons.



Small household
Simple operability
(Baking process required)

Pros.



Small household
Simple operability
(Microwavable)

Cons.



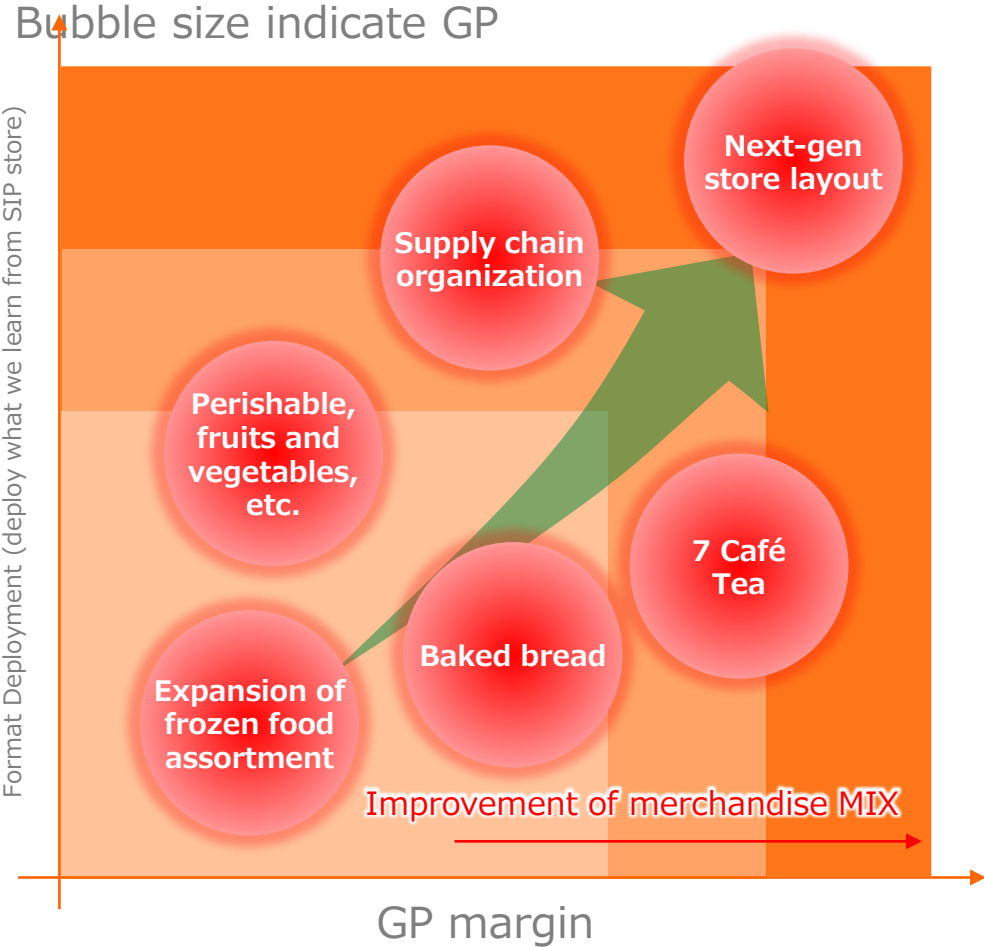
Family
Affordable

* Prioritizing machine
development in FY2024

Rolling out what we learned from SIP Store to existing stores and leading to sales expansion

Further Strengthen “Food”: SIP Store potential

Effects by expanding SIP store elements



Schedule of expanding SIP store elements

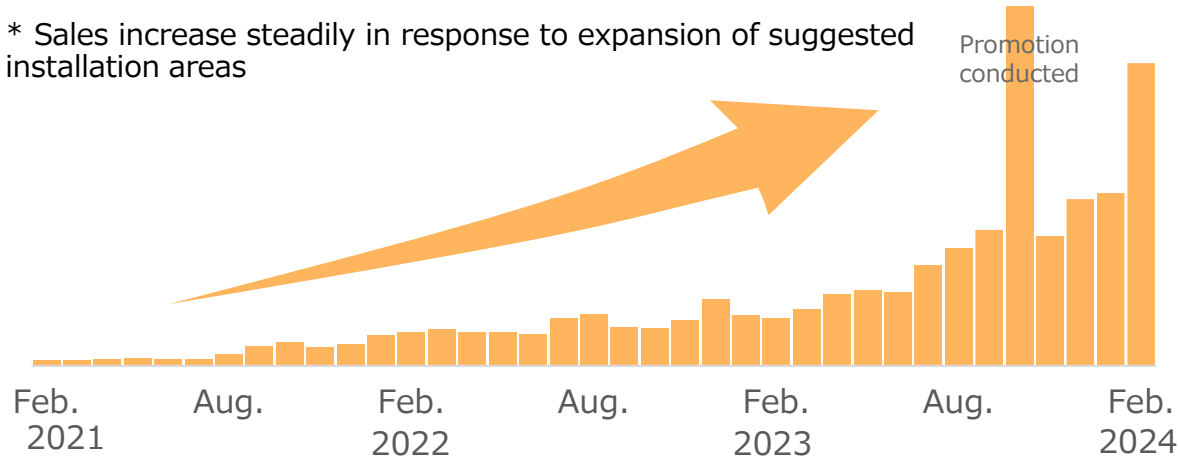
	<ul style="list-style-type: none"> ◆ <u>Horizontal expansion to current SIP store and existing stores</u> PDCA cycle based on what we learned → Assortment approach, merchandising mix
FY2024 ~	<ul style="list-style-type: none"> ◆ <u>Existing corporate store</u> Expand sales of baked merchandise, room-temperature fruits and vegetables, etc. → Baked bread expand to 3,000 stores [FY2024]
	<ul style="list-style-type: none"> ◆ <u>Existing corporate store + franchisee store * test</u> Change in layout partially (frozen food, perishable, etc.) → Island frozen utensil expand to approx. 3,000 stores [FY2024]
FY2025 ~	<ul style="list-style-type: none"> ◆ <u>Expand next-gen store layout to existing stores</u> Determine which sales floor and merchandise to expand or shrink

Improve profitability by responding to one-stop shopping in each region

Further Strengthen “Food”: 7NOW

Initiatives by FY2024 (Area expansion)

* Sales increase steadily in response to expansion of suggested installation areas



Further enhance of 7NOW app

UI/UX improvement / Visualization of delivery status and convenience improvement

FC store initiatives

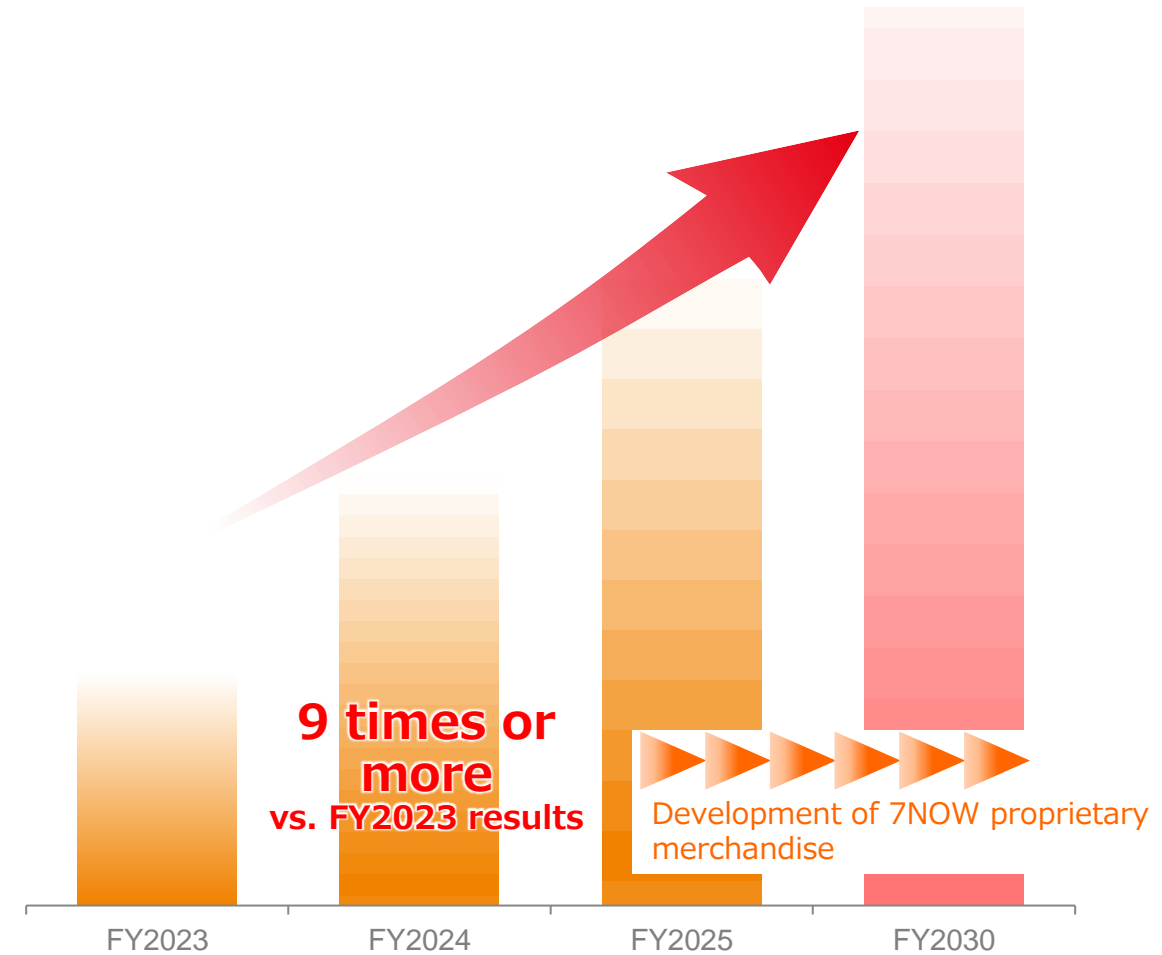
Service announcements in stores (in-store/leafleting/ FC store delivery enhancement

Delivery area expansion and cooperation enhancement

Further cooperation enhancement with delivery companies

Suggested installation nationwide by the end of FY2024

Sales trend (target)



Complete suggested installation nationwide in FY 2024, and shift to sales expansion phase through raising awareness

Growth Strategy of Domestic CVS Operations (SEJ)

1 Further Strengthen “Food”

- Expanding what we learned from SIP Store to existing stores
- 7NOW to expand

Average daily sales ↑

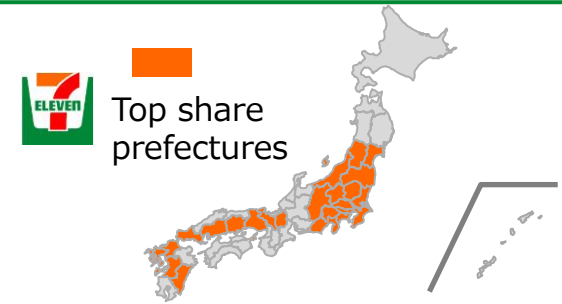
Gross profit margin ↑



2 Store Opening Strategy

- Meticulous plan for opening stores in accordance with location and Community development

Number of stores ↑



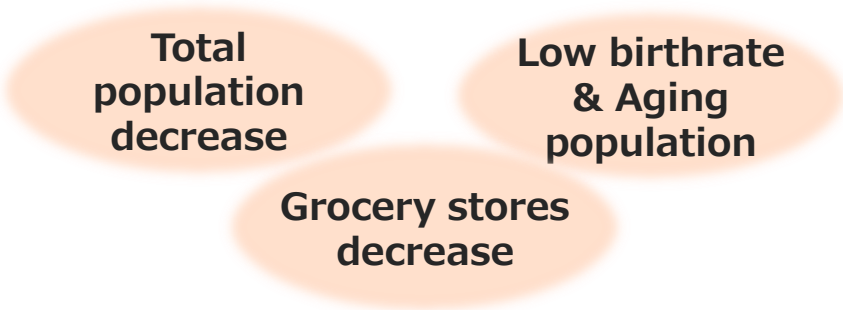
3 Sustainable Management

- Improve productivity in HQ and FC stores through pursuing operational efficiency
- Enhance efforts for measures against food loss/waste



Environmental change

◆ Domestic environmental change (Keywords)



- Shorter travel distance
- People with shopping difficulties increase (Not only rural areas, but also urban areas)

◆ Population with food inaccessibility (2020)

Inaccessibility population: 65+ years old who cannot use a car, and live more than 500 meters from the store

Areas	People with food inaccessibility	vs. 2015
Nationwide	9,040,000	+790,000
Three largest metropolitan areas	4,140,000	+360,000
Others	4,900,000	+430,000

* Source: Policy Research Institute, Ministry of Agriculture and Fisheries, food access map

Future Seven-Eleven

Respond in detail to the different needs of each area based on what we learned from SIP stores from the traditional one format

Assortment to meet local needs

Range of assortment / needs of perishables, etc.

Taste preferences and price range to meet local needs

Local production for local consumption / Cooperation with public sectors/ Regional fairs

Store format suited to the region

Store opening strategies for each area



Source: Ministry of Land, Infrastructure, Transport and Tourism, Ground Design 2050, Population-related reference materials

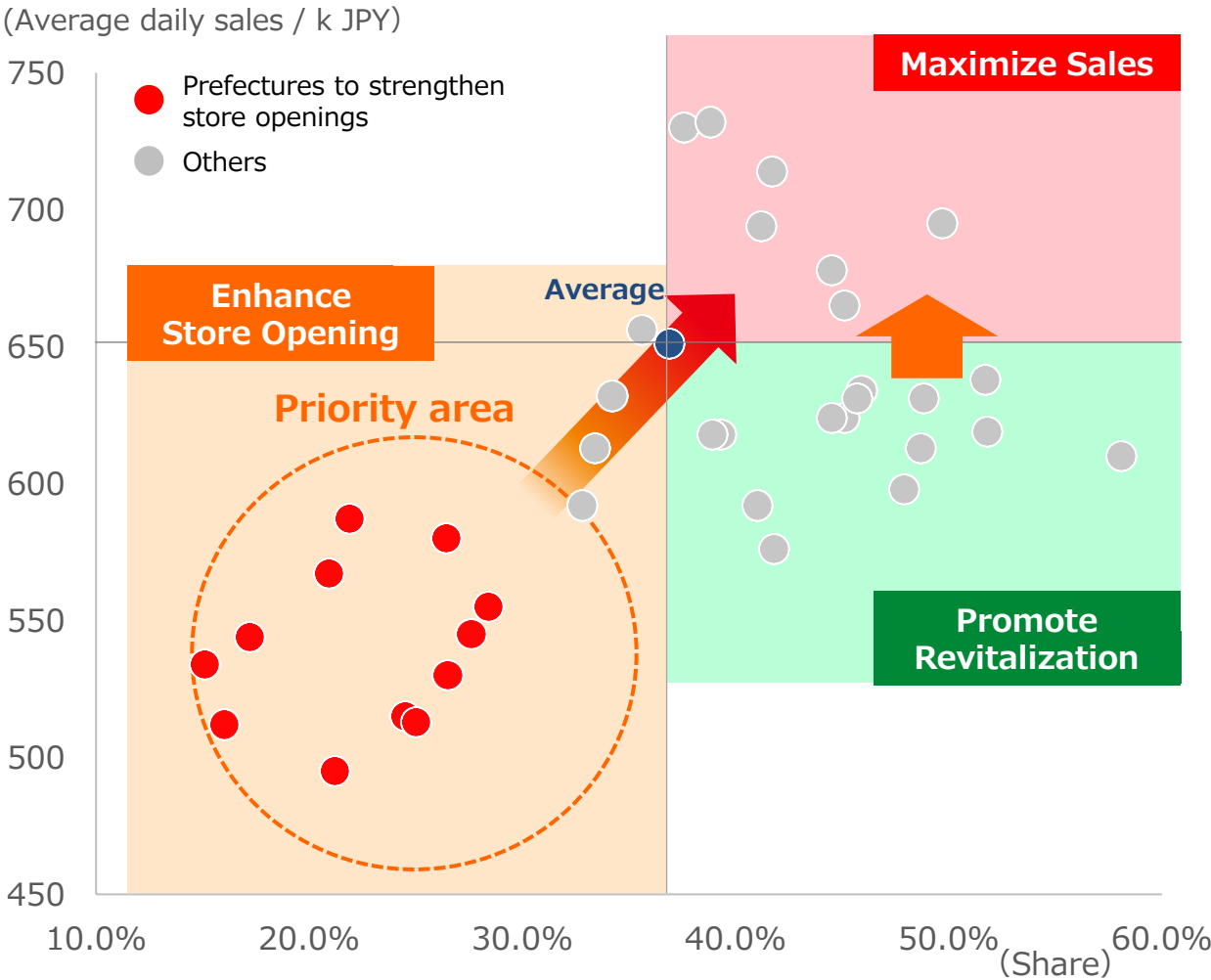


Review the HQ structure to enhance the promotion of initiatives

* Merchandising Dept. & Store Development Dept. have been changed

To continue to be a necessary presence in the world, we will promote detailed response that transcends the boundaries of the industry

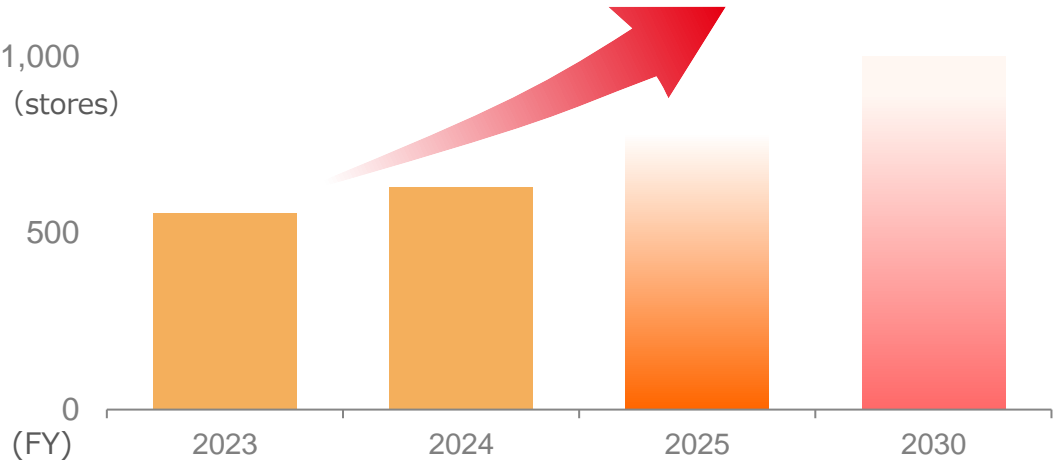
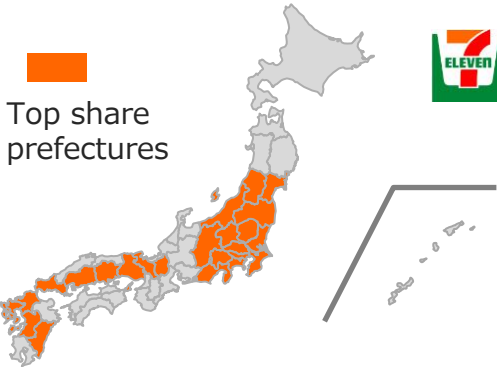
Correlation between share of number of stores and average daily sales in each prefecture



Store Opening Plan

◆ Community-focused store openings

- ✓ Execute **optimal store openings** according to the **characteristics of each area**
- ✓ Expand **top share prefectures** to white space
- ✓ Develop plans for **each municipality**



As there is room to open more stores in Japan, we will execute store opening strategies and plans depending on the local situation, and plan to re-accelerate store openings starting from FY2025

Growth Strategy of Domestic CVS Operations (SEJ)

1 Further Strengthen “Food”

- Expanding what we learned from SIP Store to existing stores
- 7NOW to expand

Average daily sales ↑

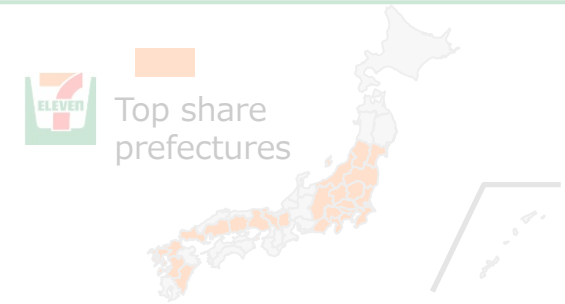
Gross profit margin ↑



2 Store Opening Strategy

- Meticulous plan for opening stores in accordance with location and Community development

Number of stores ↑



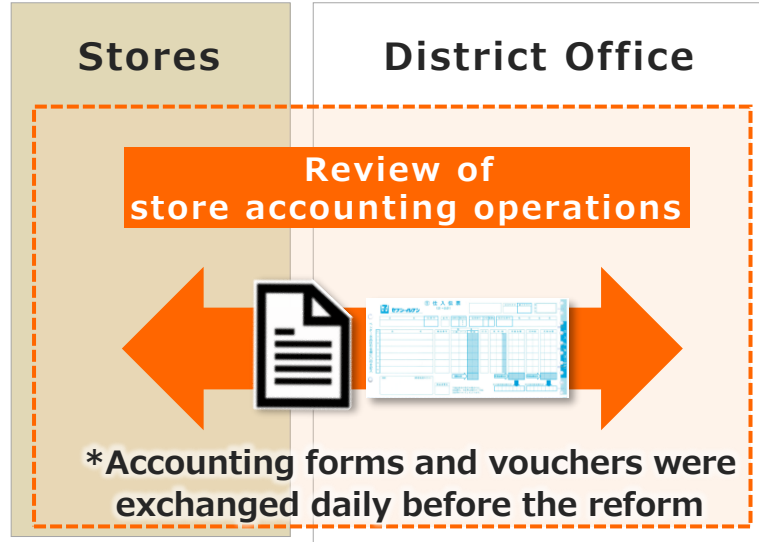
3 Sustainable Management

- Improve productivity in HQ and FC stores through pursuing operational efficiency
- Enhance efforts for measures against food loss/waste



Sustainability Management: Pursuit of Operational Efficiency

HQ operational reforms (Productivity improvement between FC stores and HQ)



Store accounting forms/
Handwritten vouchers

Approx.
63.60mil. sheets

Reduction per year
(Approx. -99% vs FY 2018)

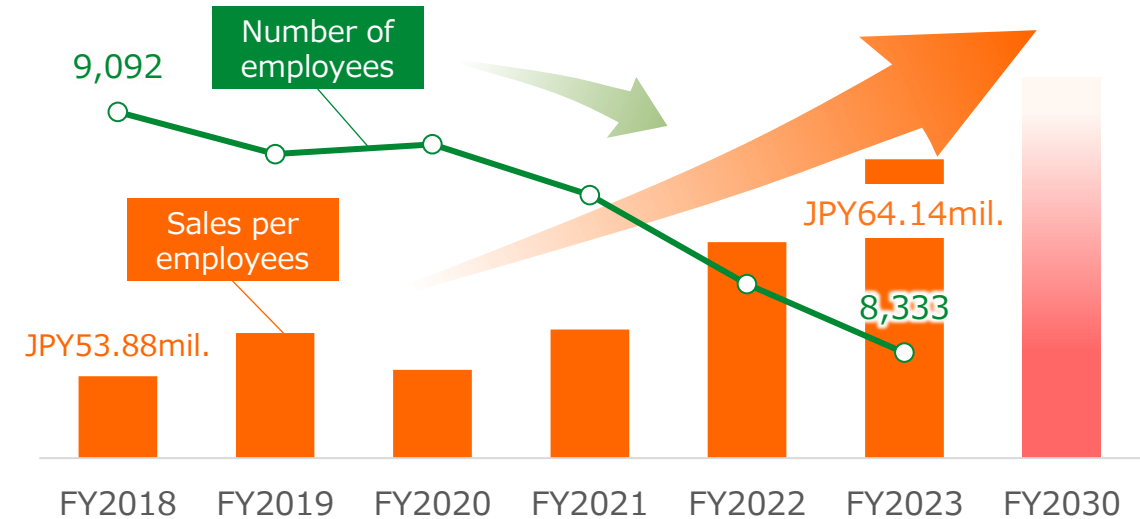


Effects of Revision of Accounting Practices (FY2023 vs FY2017)

- ✓ Reallocation thanks to Increased Store-to-Accountant Ratio
 - Number of stores per person: 19.8 → 43.4 (+23.6)
 - Number of accounting personnel: 1,021 → 496 (-525)
- ✓ Cost Reduction: **Approx. JPY -2.5 bil.** (Including Transport Cost Savings)

Actively promote IT/DX to reduce burden on Stores

Improving productivity among headquarters employees



Review workstyles of OFC and HQ employees (FY2023 vs FY2018)

- ✓ Enhance employee productivity through promotion of DX
- ✓ Number of employees: 9,092 → 8,333 (-759)
- ✓ Number of company-owned stores: 377 → 193 (-184)

Enhance productivity per employee

**Review organizational structures and processes
to enhance productivity among OFC and HQ employees**

Sustainability Management: Measures for Food Loss

Environmental initiatives (GREEN CHALLENGE2050)

	2050 Target Theme	2030 Target
CO2	Reduction of CO2 emissions	vs. 2013 50% reduction
Plastic	Use of environmentally friendly containers for original products	Use 50%
Food loss/waste	Reduction of food waste at the amount generated by unit	vs. 2013 50% reduction
	Food waste recycling rate	70%
Procurement	Sourcing of sustainable raw material that guarantee sustainability for original products	Use 50%

Initiatives for food loss to date

◆ History

- ① Merchandise : long life extension (since FY2009)
- ② System : Price reduction selling guideline (FY2009)
- ③ Social : Ethical PJ (FY2020)
- ④ In-store : Initiative to take merchandise from the forefront (FY2021)

◆ In FY2024
price reduction sales “Eco-friendly Price” recommendation

Purpose of price reduction sales “Eco-friendly Price” recommendation

◆ Economic value realization

Reduction of opportunity loss and food loss through item-by-item management

Maximize business profit by leading to expansion equilibrium

◆ Social value realization

Solving Social Issues

Work to reduce food loss/waste

What is “Eco-friendly Price”



Premise

Assortment of well-sold items
In revising the hypothesis, **food loss/waste is also reduced**

In-store initiative

Consider **price reduction amount & timing**, merchandise display and order placement **depending on the situation**

Customer minds

Do something good for the environment through purchases

★ “Eco-friendly Price”

FC stores and HQ work together to reduce food loss through “Eco-friendly Price”

Financial Performance through Growth Strategies

Strategy for Growth

Average daily sales



- ✓ New merchandise development
- ✓ Expansion and strengthening of merchandise assortment
- ✓ New business expansion



Gross profit margins



- ✓ Strengthening of counter goods
- ✓ Strengthening development of high value-added merchandise
- ✓ Merchandise composition and sales floor consideration by merchandise



Number of stores

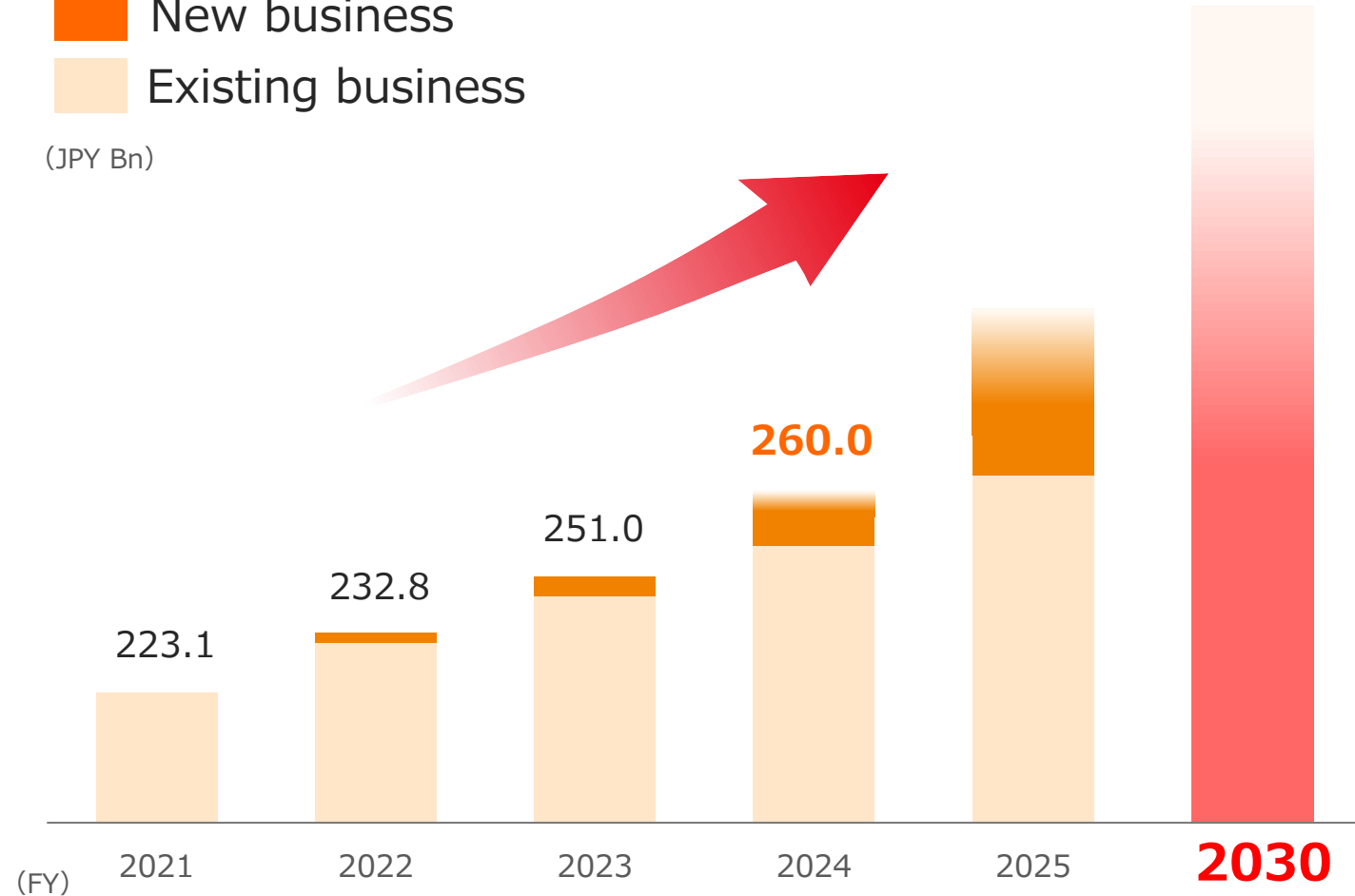


- ✓ Optimal store openings by characteristics of each area
- ✓ Expansion of top share regions
- ✓ Strategies by municipality

SEJ Operating Income Growth

- New business
- Existing business

(JPY Bn)



Achieve sustainable growth by combining economic and social value



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